



## THE QUEENSLAND PINEAPPLE REVOLUTION

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### 37 Charged After Raid on Labour Party Caucus, Parliament House, Brisbane, Queensland – 4 August 1939

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By Peter Rackemann

#### A Brief Introduction

The purpose of the 'Raid' by advocates of the Douglas Social Credit concept, within which monetary reform is but a part, was the propagation of an alternative to the Private Banking Trust's monopoly of credit. Private banking interests create credit as loans to individuals, businesses and governments which has driven entire states to ruin through accumulated debt. (And for) money [credit] to be created for a legitimate purpose; as mere tokens for the exchange of goods and services, debt-free. Money is properly an agent of distribution; a social instrument entitling the bearer to goods and services. It is not a commodity and should not be treated as such.

As far back as 1924, Sir Reginald McKenna, a Chancellor of the British Exchequer and Chairman of the Midland Bank, gave an historic address to shareholders in which he frankly said that the average person would not like to be told that the trading banks can and do create money in the form of credit. He went on to explain how this is done.

There are numerous statements by authorities on how the banking system CREATES the bulk of a nation's money supply in the form of credit made available when loans are granted to individuals, industry and governments.

In the plan drawn up for the establishment of the Bank of England in 1694, it was frankly stated, "The Bank hath benefit of interest in all moneys which it creates out of nothing." As pointed out by Bishop Burnet in his classic, "History of His Own Times", the Tories (Conservatives) of the day bitterly opposed the establishment of the Bank, warning that the Bank would become "the masters of the stock and wealth of the nation."

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**The Questions Posed by Clifford Hugh Douglas in 1931 are as Relevant Today. In *The Monopoly of Credit* he asked:**

*How is it possible for a world which is suffering from over-production to be in economic distress? Where*

*does money come from? Why should we economise when we are making too many goods? How can an unemployment problem, together with a manufacturing and agricultural organisation which cannot obtain orders, exist side by side with a poverty problem? Must we balance our budget? Why should we be asked to have confidence in our money system, if it works properly? It is hoped that answers to these and similar questions will be suggested by a perusal of the following pages.*

*One of the first results of this awakening interest has been a demonstration of the distance which separates exact knowledge from popular understanding of the methods by which the ordinary necessities of life and the amenities of civilised existence are placed at the disposal of individuals in the modern world. If this ignorance were of a purely negative nature, the situation would be sufficiently disquieting. But unfortunately that is not the case.*

*Particularly in regard to finance, which may be termed the nerve system of distribution, most people hold, with some persistence, ideas which are both incorrect and misleading, and are supported in their disinclination to change these views by sectional interests of great potency and ability in the attainment of their own objectives, which superficially seem well served by the prevailing ignorance.*

*No just appreciation of this situation is possible which does not take into consideration the peculiar, and perhaps unique, position occupied by finance in the organisation of modern society in every country. Finance, i.e., money, is the starting point of every action which requires either the co-operation of the community or the use of its assets. If it be realised that control of its mechanism gives, to a major extent, control of both personal and organised activity, it is easy to see that education, publicity, and organised Intelligence (in the sense in which the word "Intelligence" is used in military circles) can be controlled, first to minimise the likelihood of criticism arising, and should it arise, depriving it of all the normal facilities for effective action. Finance can, and does control policy, and as has been well said by an American writer, Charles Ferguson}*

*"control of credit and control of the news are concentric."...*

**Peter Rackemann, Queensland  
Australia, 28 May 2014**

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### **37 CHARGED AFTER RAID ON LABOUR CAUCUS 4 August 1939**

#### **Court Sits Until Midnight P.M. Refuses Bail WEAPONS SEIZED**

Thirty seven men were charged with unlawful assembly, in a night court which sat until midnight, following the raid on the pre-session meeting of the Labour Party at Parliament House yesterday morning.

Mr. A. H. O'Kelly, P.M., remanded them until Monday. Bail was not allowed. Arriving at Parliament House in cars in the morning, men forced their way into the old Legislative Council Chamber on the first floor, and burst in on where the party was electing a new Minister. Carrying batons, barbed wire, and hammers, the intruders encircled the room. When ordered by the Premier (Mr. Forgan Smith) to leave, they refused. He was upbraiding them when the police arrived and took them into custody. They represented themselves as members of the 'League for Social Justice,' and claimed, among other things, improved conditions for primary producers and full time work for the unemployed.

THE men were charged on warrant with 'having assembled together, and, being so assembled, having conducted themselves in such a manner as to cause the subjects of Our Lord the King in the neighbourhood to fear, on reasonable grounds, that they would tumultuously disturb the peace.' Sub-inspector T. M. Brannelly prosecuted.

#### **Those charged were:**

Ernest James Vincent Cavey, 44, Church of England Parish Priest

William Francis Wood, 33, labourer.

Richard Newton Boorman, 50, business manager.

Harry Joseph Sims, 40, farmer.

Edward John Bunbury, 21, farmer.

Volney Arthur Kirk, 48, farmer.

George Henry Gray, 36, accountant. **Spokesman**

Herbert Stanley Anderson, 40, baker.

Harry Algernon Cash, 50, broker.

Arnold Victor Hallam, 40, labourer.

Philip John Kellett Cameron, 22, journalist. **Social  
Credit Party State Secretary**

Harold Dwyer, 26, baker.

George Henry Anderson, 52; produce merchant and commission agent.

Alfred Riches, 54, labourer.

Sydney David Protheroe, 48, black smith.

Leslie Euler, 22, farmer.

Charles William Rackemann, 30, farmer.

Gustav Torenbeek, 29, plumber.

Alfred George Hubner, 38, dairyman.

Arthur Stewart Ingham, 42, carpenter.

Raymond Herbert Rackemann, 27, farmer.

Arthur Edward Jordan, 44, farmer.

Edward Henry Churchward, 18, farm labourer.

William Vesey Bunbury, 24, farmer.

Charles Dunstan, 26, farmer.

Richard Dunstan, 29, farmer.

Francis Charles Harding Cain, 37, electrician.

Charles Schloss, 27, labourer.

Herbert Stanley Tutt, 25, axeman.

Reginald Horace Reynolds, 28, farmer.

Raymond Reynolds, 32, dairy farmer.

Frederick William Percival Carter, 21, farm labourer.

James Robertson Grimmett, 46, scrub faller.

James Cranston Huxley, 36, sales man

Henry William Alexander Kirk, 56, dairy farmer.

Jonas James Kirk, 42, dairy farmer.

John Woulfe, 41, labourer.

Hugh McMartin, 55, farmer.

Formal evidence of arrest was given in each case by Plain-clothes Sergeant Mackay, of the Traffic Police, and the men were remanded until Monday.

#### **The Ultimate In Courtesy**

When 37 men burst in' on the pre-session meeting of the Labour Party at Parliament House yesterday, one of the batons they were brandishing fell to the floor. The Attorney-General (Mr. Mullan, noted for his courtesy, picked it up and handed it back to its owner, saying: 'You'll want this, won't you?'

#### **State-wide Ramifications**

Sub-Inspector R. Brannelly said that the men were members of a body known as the League for Social Justice. This body was said to be closely allied with the Social Credit Party. Inquiries were in the initial stages. The ramifications of this concern were said to be State-wide. None of the men availed him-self of the opportunity of cross-examining the only witness, Plainclothes Sergeant J N. Mackay. The proceedings were long because each of the 37 men had been charged on separate warrant, and Sergeant Mackay was called on to give the same evidence of arrest in each case. He took the oath 37 times— a record. A large body of detectives guarded the doors of the court. Among those who watched the proceedings were Detective Inspector A T Jessen. Inspector A. A. Bock, and Sub-Inspector J. A. D. Bookless.

#### **Chilly In Court**

Shortly before 10 o'clock the men were brought into the court, many of them rubbing their hands together to warm them, or drawing their over coats closer. The dock would not hold more than half the defendants, the others being accommodated on chairs and forms in other portions of the court. As the men listened intently to the proceedings, a cold and strong westerly wind rattled the windows of the court. The case of William Francis Wood was taken first. Wood stood up in the Court while the charge, a lone one in which the names of all the other defendants were included, was read to him. Mr. O'Kelly (to the Prosecutor): Would you not take all the charges together? Sub-Inspector Brannelly: They are all on separate warrants, although it is the same charge. Plainclothes Sergeant James Norman Mackay said that about 3.30 p.m. that day he saw the defendant in No. 1 committee room on the ground floor of Parliament House. He had a conversation with him there, read a warrant, and arrested him on the present charge. He was taken to the city watch-house where he was charged. Mr. O'Kelly(to Sub-Inspector Brannelly) : I understand that there will be an application for bail. Sub-Inspector Brannelly: That is so your Worship. Mr. O'Kelly: I propose to take the application en bloc at the end of the proceedings. Similar evidence was given by Sergeant Mackay in the 36 other cases In his

evidence about the arrest of Charles Dunstan, Sergeant Mackay said that Dunstan when charged said, 'The name is incorrect. It is Clarence.' I said, 'You are the person referred to in this warrant,' said Mackay. When Mackay said that he knew Charles Schloss, Schloss interjected, 'Excuse me, my name is Clarence.' Sub-Inspector Brannelly said that in the case of all the defendants he was asking for a remand until Monday. The Police Magistrate said that he had been approached by, he under stood, a Rev. Mr. Cavey who had asked him to hold a night court, as he desired to make application for bail for each defendant. He (the P.M.) did not know if he had authority from any, or all, the defendants to do that, but that was why the night court was held. To the Defendants: Are any of you asking for bail? Defendants (in chorus): Yes. Sub-Inspector Brannelly said that the men were said to be members of a body called the League for Social Justice. It was alleged that the men, who came from various parts of the country, assembled in Brisbane that day, hired a hall in the city, and travelled by motor vehicles from the hall to Parliament House, armed with wooden batons and carrying quantities of barbed wire. At Parliament House the Parliamentary Labour Party was sitting in Caucus and it would be alleged that the men forced themselves into that particular part of Parliament House. It would be alleged also that certain acts of intimidation and violence took place. It would be some time before the inquiries were completed. They would be completed as quickly as possible, but until then he was strenuously opposing bail. Bail was not granted. Each defendant was remanded till Monday, and the Police Magistrate said that further application for bail could be made later. As quietly as they had entered the men left the court.

#### **Bedding Taxed**

The unexpected arrival of the 37 men taxed the bedding supplies at the watch-house, and extra blankets and mattresses had to be obtained from police stations. Feeding the men was another problem. For their evening meal they ate 34/-worth of sandwiches, and later asked for 74 pies. A few minutes after the order had been placed they changed their minds, and decided to do without the pies. Supplying breakfast for them and others who may be unable to get bail will keep the police busy this morning.

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#### **INVASION OF BRISBANE PARLIAMENT HOUSE 37 Members Of "League Of Social Justice" BATONS, TOOLS AND BARBED WIRE Meeting Of Caucus Interrupted PREMIER REFERS TO ACTION AS FASCISM BRISBANE, August 4.**

In dramatic circumstances, a body of men, armed with batons, invaded the Legislative Council Chamber during the meeting of the Parliamentary Labor Party today. Subsequently, 37 men were charged on warrant with "having assembled together and conducted themselves in such a manner as to cause the subjects of our lord the King in the neighborhood to fear on reasonable grounds that they would tumultuously disturb the peace." Later, at a special night court the men were remanded. Bail was refused and they spent the night in the cells at the watch-house. Most of the men wore small discs bearing a number with short strips of green,

red and blue ribbon. They carried new batons stained a dark color. Some brandished them in the air. Others carried them by their side, wearing rubber gloves to protect their hands. Some carried coils of barbed wire. It is estimated that 50 yards of wire was in their possession. Hammers, staples and files were also in the armory collected by the police later.

**A pamphlet distributed by the men. and headed League of Social Justice, stated that the league comprised farmers, unionists, small business men, and church members. Improved conditions which the league sought included a 40- hour week, a stabilised price for all primary producers, co-operative control by farmers of all primary industries, full time work for unemployed, removal of all road and bridge tolls, reduction in taxation and rates, and public finance without debt.**

Caucus Members surprised a number of men engaged a public hall in the city this morning. After the meeting they went in private cars and taxi cabs to Parliament House, where they broke into sections and entered the House by various doors. Parliamentarians, who, sitting as a caucus were electing a new Minister, were taken completely by surprise. They realised the significance of the visit when a tall man gave orders to his followers to encircle the room. They took up positions at the back of seats on which members were sitting. Members who showed signs of rising were pushed back into their seats. One was the Treasurer (Mr. Cooper). "What do you mean by this?" demanded the Premier (Mr. Forgan Smith). "Sit down," commanded the tall man. "I refuse to be instructed by you," said the Premier calmly walking the length of the chamber and standing in front of the men. "What do you mean by this invasion?" "You will know in a minute. Our leader is coming," the man in charge replied. Members of the party surged round, and it seemed that a nasty situation would develop, but the Premier asked his colleagues to restrain themselves. Addressing the tall man, Mr. Smith said. "I am astonished at this display of force. This is a country in which such a demonstration is absolutely uncalled for." The man in charge mentioned a deputation to discuss grievances.

#### **Display of Fascism**

"There is a constitutional method of approaching me for a deputation," said the Premier. "This is a display of Fascism, and I will not countenance such an outrage in Queensland. We refuse to be intimidated by you, individually or collectively, and I ask you to withdraw." The man in charge said they refused. "Have you heard of Culloden Moor?" the man asked. The Premier said that he had. "Well, 112 of my ancestors fought there. They were rebels, and I have a right to be a rebel," was the reply. "If you are a rebel you will have to take the consequences of being one," said the Premier. He was still talking to them when the police arrived. In the excitement, the Minister for Health and Home Affairs (Mr. Hanlon) had slipped out of a back entrance leading to the Premier's room and telephoned the Police Commissioner (Mr. Carroll).

#### **Men Taken In Charge**

Car loads of police entered the building and took the visitors in charge, and a Black Maria took the men in batches to the City Watch-house, where they taxed the accommodation. As his name was called, each man was

searched and divested of his braces, tie and personal possessions. It was a cheery crowd, and they joked with the police. The Watch-house staff sent out to a cafe for tea for the unprecedented crowd. Canungra, Redcliffe, and Kingaroy are among the country centres from which the men came. It is said that five of them flew from Kingaroy today to take part - *The Courier-Mail, Brisbane, Qld.1933-1954, Saturday 5 August 1939, page 1.*

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### **ARMED MENS RAID AT PARLIAMENT**

#### **Caucus Meeting Surrounded POLICE MOVE FAST**

'BEFORE the raid on the pre-session meeting of the Labour Party, at Parliament House yesterday, a number of men engaged a public hall in the city yesterday morning, the management being under the impression that they were pineapple growers who had assembled to discuss their exhibit for the Brisbane Show. After holding a meeting they left in private cars and taxi cabs for Parliament House, where they broke into sections and entered the House by various doors. A number of them accosted a messenger at the Alice Street entrance, where the messengers' room is situated, and ordered him to show them where the Caucus was meeting.

He led them in another direction along a corridor to a retiring room but was sharply instructed to take them to the Caucus room at once. With the messenger marching ahead, they made their way up the stairs joining another group which had come in by the main entrance. Most of the men wore small discs bearing numbers, and short strips of green, red, and blue ribbon. They carried new batons, evidently turned out, from a mill and stained a dark colour. Some brandished them in the air. Wearing rubber gloves to protect their hands, others carried coils of barbed wire. It is estimated that 50 yards of wire was in their possession. Hammers, staples, and files also were collected by the police later. The telephone switch attendant, seeing the carloads approaching, thought it was a demonstration of unemployed, and left her board to warn other members of the staff. She was swept aside, as were the messengers posted through out the House. The visitors told the staff that there was no intention of harming them, but that they were determined to get to the Caucus room. A messenger guarding the head of the main stairs, as is customary when the Caucus is sitting, challenged them. After arguing with him for a few minutes they rushed the double door leading to the old Legislative Council Chamber, where the party meets, and flocked into the room.

#### **Surprise For Meeting**

The Parliamentarians who were electing a new Minister, were taken by surprise. There had been no warning of the incident. Some of them thought that it was a sight-seeing party that had taken the wrong turning. They realised the significance of the visit, when a tall, man gave orders to his followers to encircle the room. The men took up positions at the back of the seats on which members of the party were sitting. Members who showed signs of rising were pushed back into their seats. One of them was the Treasurer (Mr. Cooper): Mystified, he turned on the man who had pushed him and asked indignantly: 'Who are you— a detective?' The man did not reply, but let the Minister go. As they entered the room the leader shouted: 'Keep your

seats!' 'What do you mean by this?' demanded the Premier (Mr. Forgan Smith), rising from his chair at the head of the centre table. 'Sit down,' commanded the tall man. 'I refuse to be instructed by you,' said the Premier, walking the length of the Chamber and standing in front of the men. 'What do you mean by this invasion of a meeting of the Labour Party assembled in Parliament House?' 'You will know in a minute: our leader is coming,' the man in charge replied.

#### **Premier Talks to Men**

Members of the party surged round, and it seemed that a dangerous situation would develop, but the Premier asked his colleagues to restrain themselves Addressing the tall man, Mr. Smith said: 'I am astonished at this display of force. This is a country in which such a demonstration is absolutely uncalled for.' The man in charge mentioned a deputation to discuss grievances. 'There is a constitutional method; approaching me for a deputation,' said the Premier. 'This is a display of Fascism, and I will not countenance such an outrage in Queensland. We refuse to be intimidated by you, individually or collectively, and I ask you to withdraw.' They refused. 'Have you heard of Culloden Moor?' the leading man asked. The Premier said that he had. 'Well, my ancestors fought there. They were rebels, and I have a right to be a rebel,' was the reply. 'If you are a rebel you will have to take the consequences of being one, said the Premier. He was still talking to the men when the police arrived. Minister Calls Police In the excitement, the Minister for Health and Home Affairs (Mr. Hanlon) had slipped out a back entrance leading to the Premier's room, and telephoned from there to the Commissioner (Mr. Carroll) to send police to the House immediately. Mean while the Clerk Assistant (Mr. R. L. Dunlop) had telephoned to Roma Street police station. Making his way down a back stairway, Mr. Hanlon went round to the front gate and met; the police, whom he ordered to surround the building to prevent any body from leaving.



**Police taking members of the League for Social Justice from Parliament House to the watch house in cabs yesterday, after their raid on Caucus.**

Carloads of police entered the building and took charge. Six visitors to the House, including a prominent business man from Mackay, were kept there for an hour and a half before satisfying the police that they had no connection with the affair. The men who had made the commotion were placed in the large Committee room on the ground floor, under guard, and were removed to the City watch house at 3.30 p.m., after warrants for their arrest had been issued. The 'Black Maria' and motor cars were used to take them to the watch house, where they taxed accommodation, and set the staff busy entering charges in the charge book. Most of them were well provided with cash, and several had cheque books. The prospect of a night in the chilly lock-up did not depress them. They were a cheery crowd, and joked with the police, who read over the warrant charges. A pile of batons and other paraphernalia was heaped up by the police. The batons were stout pieces of hard wood, about 18 inches long, strung with white cord to enable the holders to get a firm grip. In addition to the supply of barbed wire, which the visitors brought in cars, trophies of the police search included knuckledusters, torches, and shaving kits.

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#### Police And Raiders



**The raiders leaving Parliament House under escort. Charles William Rackemann, my Uncle, left, black hat; Raymond Herbert Rackemann, my father, 2<sup>nd</sup> left. – *The Courier-Mail, Brisbane, Qld., 1933-1954, Saturday 5 August 1939, page 3.***

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#### Farmers Strong in League

Police were inquiring last night about the League for Social Justice, which the arrested men claimed to represent. Farmers were numerous in the party, and Canungra, Redcliffe and Kingaroy are among the centres from which they came. One member of the group was a Social Credit candidate in a country electorate last year. Five of them flew from Kingaroy yesterday morning. The fact that the discs on their coats bore numbers as high as the 160 suggests that the league has a greater number of members than those who went to Parliament House. Pamphlets which

they distributed set out that the league comprised farmers, unionists, small business men, and church members. Improved conditions which they sought included:

A stabilised price for all primary production. A 40-hour week. Co-operative control by the farmers of all primary industries. Full-time work for the unemployed. Removal of all road and bridge tolls. Reduction in taxation and rates. Public finance without debt. No alteration to the legal hotel hours without a referendum. 'The League for Social Justice wants a 20th century Magna Charta,' stated the leaflet, which did not wear a publisher's imprint.

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#### Weekend In Gaol CAUCUS RAID SEQUEL

Escorted by a motor car filled with policemen the 'Black Maria' took 37 men, in batches, from the City Watch house to the Brisbane Gaol on Saturday morning. They had been remanded until Monday in a court, held the preceding night, by Mr. A. H. O'Kelly, P.M., on a charge of unlawful assembly, following the raid on the Labour Party's pre-session meeting at Parliament House. Dozens of blankets were issued and the men slept in the watch-house. The staff had a busy time rousing them, and taking orders for breakfast. Steak, ham, eggs, sausages, bacon, bread and tea, were suggested. When someone asked for strawberries and cream, a sergeant replied: 'We can find the strawberries, but not the cows.'

#### MEALS A LA CARTE

Orders were sent to cafes, and about 8 a.m. baskets of food and tins of tea were dumped on the stone floor of the charge room. The crowd in the vestibule smiled when the grille opened to admit the refreshments. Meals were served in the dining room. Two hours later the lockup opened, and eight men under a police guard filed out and took seats in the 'Black Maria,' the doors of which were quickly closed and locked. It was driven on to North Quay, and then sped away to the gaol followed by the escort car.

#### 'AFTER YOU, SIR!'

It returned three times for more batches of eight. As one lot gathered about the van door a man said, 'Do we draw straws to see who goes in first?' 'No, you go', a constable replied, 'After you, Sir!' Five men comprised the last group removed to the gaol. The exodus was very orderly – *Sunday Mail, Brisbane, Qld. 1926 - 1954, Sunday 6 August 1939, page 2.*

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#### CLERGYMAN CHARGED RAID SEQUEL

##### Alleged Plot To Seize Parliament

James Vincent Cavey, 44, Church of England parish priest at Manly, appeared in the Police Court yesterday on a charge similar to that against 37 men alleged to have been concerned in the raid on Parliament House last Friday. All were remanded until next Monday. The existence of a plan for the seizure of Parliament House and, when this had been effected, for the Press and then the police to be informed, was alleged by Sub-Inspector T. M. Brannelly, who prosecuted. Cavey, who appeared during the afternoon, was released on his

own bond of £20. All except three of the men who were charged earlier in the day were granted similar bail, but were also ordered to find sureties. Mr. P. C. Knyvett, P.M., explained that as it would be Exhibition time the cases could not be heard next week.

#### **Police Court Crowded**

A LARGE body of plain-clothes and uniformed police was in the court when the 37 men appeared on remand in the morning. The men overflowed the dock, and the public gallery and the floor of the courtroom were so crowded by the public that the arrested men stood shoulder to shoulder with many spectators. The men were charged with **'having assembled together, and, being so assembled, having conducted themselves in such a manner as to cause the subjects of Our Lord the King in the neighbourhood to fear, on reasonable grounds, that they would tumultuously disturb the peace.'** Sub-inspector Brannelly said that the police were not ready to proceed with the charge, but the cases would be continued as soon as possible. 'In view of the serious nature of the charge and the unusual circumstances connected with it,' he said, 'I have been instructed to press for substantial bail with a surety in each case.'

#### **'Force Not Intended'**

Mr. J. J. O'Connor, who appeared for 22 of the men, said that he did not oppose bail, but objected to the granting of sureties. Some of the men might be compelled to remain in gaol for two or three weeks. 'It would be futile to put substantial bail on many of them, as they are farm workers,' he added. 'I have no doubt that they will appear when called upon if they are allowed out on their own recognisance.' Mr. Knyvett: The punishment is a year. Mr. O'Connor: It is a misdemeanour, not a crime. Mr. Knyvett: That is so. Mr. O'Connor: These people are not of the criminal element. They have good reputations. Mr. Knyvett: They have only themselves to blame for their present position. Mr. O'Connor: There is no suggestion of any force having been used, they went for a certain purpose. No force was used or intended.

#### **'Not Serious Offence'**

MR. K. H. Mitchell, who represented eight men, maintained that the offence was not serious, nor was there any evidence that it was. 'I have not had the opportunity of reading the evidence of arrest,' he added, 'but it appears that these people were kept in custody for five hours before being arrested.' Mr. Knyvett: There is power for that. Mr. Mitchell: I do not know that there is. Mr. Knyvett: Look at section 260. Mr. Mitchell: That is not the question. We say that this is not a serious offence. **These people went down merely as deputationists. Caucus was meeting. It was only a meeting of the Labour Party — not of Parliament. It would have been very serious had it been Parliament. There is evidence that after they had been arrested members of the Caucus accepted leaflets from them, and asked what were their demands.** Mr. D. T. Miller, who appeared for the remaining seven men, said that as they lived in places 'scattered far and wide' it would be extremely difficult for them to arrange sureties. Mr. Knyvett: Evidently, seeing that they came these distances, there must have been a pre-arrangement among them. Mr. Miller: It was more or less a deputation among farmers.

They did not anticipate anything of this nature. Sub-Inspector Brannelly: I might remind my friend that, if they were a deputation of farmers, they went there armed with waddies and barbed wire. Mr. Miller: I suppose boy scouts can go to a deputation with scout poles without meaning any harm. Mr. Knyvett, in remanding the men till next Monday, remarked that the object of bail was to ensure a person's appearance. The appearance of Cavey in Court contrasted with that of the men during the morning. Few people were aware of his arrest, for he sat alone in an almost deserted Courtroom, wearing clerical garb and holding his hat and walking-stick. 'Cavey was not -actually there,' said Sub-Inspector Brannelly, in asking for the remand. 'According to information, he had a specific job to do with the demonstration, riot, or unlawful assembly; as it is called.' Mr. Mitchell opposed a remand. 'My story is that he was never anywhere near Parliament' House at the time, and that all this was done without his knowledge or authority,' he said. 'I think that it shows something on the part of the police that he should be arrested to-day. They could easily have arrested him with the others the other day.' Cavey had answered all questions effectively, continued Mr. Mitchell. 'The only reason I can think of for his arrest,' he added, 'is that he preached a sermon at All Saints' Church last night in which he expressed views the same as the alleged — I don't know what you would call them — strikers. I do not know what the object is of bringing this man into the picture.' Mr. Knyvett: I cannot inquire into motives. Mr. Mitchell: It is a very serious thing when a minister of religion is brought in at this stage. He could quite easily have been brought in earlier. I am sure the sermon actuated the police in bringing the charge.

#### **Seizure Plan Alleged**

Sub-Inspector Brannelly: The true position is this — Cavey, as a matter of fact, told myself — and this will be the evidence — that he attended a meeting held prior to these men going to Parliament House, that he was deputed to go to an office in a certain part of the town, and there wait for advice from these men that they had seized Parliament House, and that he was to advise the news papers and then advise the police. These are the true facts of the case. I have no knowledge of any sermon. As a matter of fact, there is no one sorrier than myself that this has to be, but the law must take its course. Mr. Mitchell: I cannot understand Cavey saying that they would seize Parliament House. Actually, Parliament is not sitting until Tuesday. Cavey says that he went to the meeting, and that he understood other members of religious bodies also were interested. Mr. Knyvett: Where was the meeting? Mr. Mitchell: At the Valley. Cavey: I think it is the hall of the ' Catholic Leader. Mr. Mitchell: And several other priests and leaders of various churches were to be there who were in sympathy with the social reform meeting. I cannot see why this man should be victimised. Mr. Knyvett: He was not one of those assembled? Sub-Inspector Brannelly: No. Mr. Knyvett: There is no objection to the granting of bail. Sub-inspector Brannelly: I ask that bail be similarly allowed to that of this morning. Mr. Mitchell: That would be a shocking thing. He is the parish priest of Manly. Cavey was allowed bail in his own bond of £20. Released on Bond five minutes after Cavey had been remanded he was released on bond. As he walked from the watch-

house to The Clerk of Petty Sessions' office he was cheered by a small band of people awaiting the release of the other men. 'Hurrah! Good on you!' they called. Cavey turned and smiled to them, waving his walking-stick as he did so. - *The Courier-Mail, Brisbane, Qld. 1933-1954*, Tuesday 8 August 1939, page 3.

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### **RAID CASE HEARING MAY TAKE MONTHS 38 Alleged Offenders Further Remanded**

IT was stated at the Police Court, yesterday, that the hearing of the cases against the 38 men who were charged with unlawful assembly, may take months. Yesterday they were remanded till Monday, by Mr P. G. Knyvett, Acting Chief Police Magistrate. Mr. Knyvett, granting the request of counsel, dispensed with sureties, and allowed each man bail on his own bond of £20.

Replying to Mr. Knyvett, the police prosecutor (Detective Sub-Inspector T. M. Brannelly) said that the police would be ready to proceed with the cases next Monday. He hoped the Court arrangements could be made accordingly. Mr. Knyvett: Are they asking for separate trials? Mr. K. H. Mitchell (appearing for nine men): We are waiting for police evidence. I will be asking for separate trials for some of them. Mr Knyvett: How long is it going to take? Sub-Inspector Brannelly: It may be a case of Kathleen Mavourneen! Mr. Knyvett: It may be a matter of months. Sub-inspector Brannelly: I will oppose application for separate trials. Mr Knyvett: That is a matter for individuals themselves. If they had been charged collectively. . . .

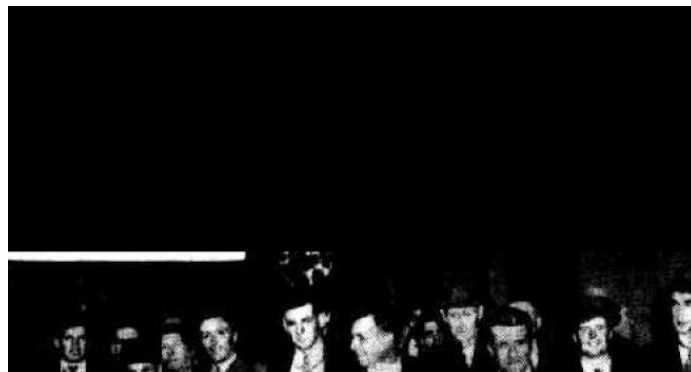
#### **Was Constable Arrested?**

Sub-inspector Brannelly: They are charged collectively. Mr. Knyvett: If we are going to have 38 trials, it will spread over a long period. Sub-inspector Brannelly: It would suit the advocates all right! Mr. Mitchell: It is not a matter of suiting advocates. It is a matter of every man having a fair trial. Certain other persons were mixed up in the general melee. I understand a southern constable was arrested with the general throng. Sub-inspector Brannelly: That is not true. Mr. J. J. O'Connor, who is appearing for 22 of the men, asked the magistrate to waive the matter of sureties, and Mr. D. T. Miller, representing seven of them, made a similar application. On behalf of one of the defendants, Mr. Mitchell applied to the magistrate for the release of a car at the C.I. Branch. The man, he said, was seriously inconvenienced in his business without it. Detective Sub-inspector Brannelly said that the car arrived at Parliament House loaded with barbed wire, and a man was in the act of unloading it, when arrested. Mr. Knyvett said that the release of the car was a discretionary matter for the C.I. Branch. - *The Courier-Mail, Brisbane, Qld. 1933-1954*, Tuesday 15 August 1939, page 2.

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### **PLANNED 24 HOUR STAY IN BARRICADE' Court Told of Raid On Caucus**

Allegations were made in the Police Court yester day that 37 men entered Parliament House on August 4, while the Parliamentary Labour Party was meeting, and intended to barricade themselves in for a 'sit-down strike of 24 hours'.



**Defendants in the Parliament House 'unlawful assembly charge' leaving the court after yesterday's hearing.**

It was claimed that one of the men, asked how they would have fared 'when the belt began to pinch,' replied. 'We would have had all the sitting members of Parliament behind the fence with us. If we could not have got food, neither could they.' The men, who were charged with having so assembled as to give fear on reasonable grounds that they would tumultuously disturb the peace, were further remanded until this morning.

Ernest James Vincent Cavey, 44, Anglican parish priest, Manly, who appeared on a similar charge, was remanded until next Monday morning, bail being extended again. Wearing clerical garb, with a large red carnation in his lapel, he sat with another clergyman in Court during the morning. Sub-Inspector T. M. Brannelly, who prosecuted, said that the case against the men would not finish this week.. Constable C. Schuhkraft' said that in consequence of a telephone message received at Roma Street Police Station at 11.15 a.m. on August 4 he and other constables went by car to Parliament House. The doorway at the main entrance facing George Street was locked. Sergeant Kinnane and Constable Birmingham went toward the Technical College, and Birmingham entered a doorway. 'I ran down and went in the same doorway.' said Schuhkraft. 'I went up the stairs to the dais leading to the Legislative Council chamber where Sergeant Kinnane and Constable Birmingham were. 'On my left were a number of members of the Parliamentary Labour Party, and as far as I could see they were all standing up. They were headed by the Premier. He was standing 4ft.or 5ft. from the bar of the chamber, and speaking to Gray, who was just inside the barrier. McMartin was facing the Premier and Gray.' At this stage the defence objected to conversations being related unless all the defendants were present. Sub-inspector T. M. Brannelly: Do you know if others were there? Schuhkraft: Other members of this deputation were congregated around inside the chamber. I could not identify the others there. Mr. P. M. Hishon. C.P.M.: This is a common design. It is too early to expect the men to be identified.

#### **'Will Not Influence Me'**

Continuing, Schuhkraft said that he heard the Premier saying to the men, 'A display of armed force such as this will not influence me, and I intend to give you in charge.' There appeared to be a baton, with cord attached, in Gray's right hand, held close to his side. There were 15 men in the room apart from Parliamentary Labour Party members and Gray. They had coloured ribbons and numbered buttons in the lapels of their coats. Schuhkraft said that he walked



through the assembly to a swing door and opened it. Three or four men standing down the passage also had numbered buttons and ribbons. 'I held the door open, and said to the Premier, 'I understand you intend to give all these men in charge.'" Continued Schuhkraft. 'He replied. 'Yes.' I then said to the men, 'Right'-o men, all go downstairs.' Gray said, 'I am responsible for all these: men. There will be no trouble. We will go downstairs now.' Schuhkraft said that he walked downstairs ahead of the men to the vestibule. On the first landing he picked up a baton with a white cord. He told the men to assemble in the vestibule, near the main entrance, - and they walked into that position.

#### **Batons Collected**

Continuing, Schuhkraft said that he told the men he had reason to believe that they had batons on them, and I asked them to hand them over. They immediately began to take them from their pockets, or where they were concealed, and collected and handed them to him. Constables Brown and McCarthy went to the rear and also collected batons. Other men were standing about in the vestibule with badges and ribbons on their lapels. Twenty-one batons were collected, including that found on the landing. A burst of laughter from the men in the dock greeted Sub-inspector Brannelly's remark when he held up a baton and asked Schuhkraft if that was the one he found on the stairway. Schuhkraft replied that all were familiar and that he could not identify it, as it had been placed with the others immediately. A period of about seven minutes elapsed from the time he entered the chamber until the Batons were handed over. Other police arrived, and the men were taken to No.6 Committee room, where they remained until taken away.

Mr. O'Connor: Did you ascertain where the caucus meeting was being held that morning?' Schuhkraft: No. How many people were in the room when you first went in? About 20 Parliamentary Labour Party members and about 15 others with streamers and buttons in their coats. Did you notice any in a threatening attitude, or hear sounds of disturbance when you came to the doorway? No. Were the 15 men behaving in an orderly manner? Yes. Did the Premier appear to be afraid? I don't know whether he was or not? Would you say the defendants were excited? No, there was nothing said at all after they were given in charge. Was any baton used to intimidate anyone? Not while I was there. Mr. Miller: Did you have any weapon on you? Schuhkraft: Yes, the usual appointments — baton and handcuffs. He added that he had not taken them out. The Parliamentarians were on one side of the chamber and the defendants on the other. The men followed you like 'lambs down the stairs? Yes. You did not see any batons on them? No, they probably were hidden in pockets. Some had overcoats on. Were they, worried? No. They seemed to be normal. Did the Premier appear to be worried? I don't know. You had better ask him. He was not smiling. Mr. Mitchell: Can you point out the men who accompanied you downstairs? No.

#### **Ribbons in Coats**

Plain-clothes Sergeant J. N. Mackay of the Traffic Office said that he entered Parliament House at the main entrance, at the corner of George and Alice streets. Detective Sergeant Stolz and Detective Constable Welldon were standing near by. Stolz had a wooden baton in his hand, and the defendants Wood, Boornan,

Sims and Bunbury were with him. All wore numbered badges, and red, blue, and green ribbons in their coats. They refused to answer questions. Mackay said that he went along the passageway leading from the Alice Street entrance parallel to George Street to a flight of stairs giving access to the first floor. The remainder of the defendants were there. Some were near the foot of the stairs, and the others were between the stairs and a door leading from the grounds on the George Street side of the House to the principal entrance. The door was closed, and uniformed police were present, including Constable Schuhkraft, who was standing with a number of the men and holding batons in his arms.

#### **Going To Put Up Fence**

Mackay said that at the committee room later he saw a foil of barbed wire, enclosed in rubber, two paper packages containing pieces of rubber 14in. long and 4in. wide, and a small packet containing metal staples. Subsequently he saw Gray in the committee room, and asked for what the rubber and barbed wire were to be used. 'He replied: 'We were going to put a fence around the railings of the room upstairs. The wide pieces of rubber were to be placed against the railings so that the barbed wire would not cut the railings, and the small pieces of rubber were to be placed between the wide pieces of rubber and the railings so that the prongs of the barbed wire would not cut through the rubber and injure the railing' continued Mackay. I said to him 'For what purpose were the staples be used?' He replied 'To build an apron fence. Any returned soldier knows what that is. It comes down like this'-and with his hand he went through motions describing how if an ordinary fence were constructed the wire would be stretched from the top to a position 4ft. to 5ft. in front of it to the ground.'

Continuing he said ' The staples were to be used to secure the apron fence to the floor. There are five chains of barbed wire in the roll. We brought 10 rolls-50 chains in all. I said to him 'For what purpose was the fence to be erected?' He replied 'We were going to get behind it, and have a sit-down strike. No one could have got to us or from where we were over the apron fence. We would have remained there 24 hours if necessary.' 'I said. 'Where were the batons obtained?' He replied: 'They were made by a cabinet-maker. That is all I am saying.

#### **Names Called**

Mackay added that the names of all the men, except V. A. Kirk and H. McMartin, were called in the committee room. He left soon after, and returned at 2.50 p.m. The Treasurer (Mr. Cooper) was in the room, and he also saw the Premier, with Detective Constable Welldon there. Thirteen of the men did not reply when he informed them that the Premier had identified them as having been in the room upstairs. All the men were arrested and taken to the watch house. Torenbeek said, 'I have been wrongfully identified by the Premier as being in the room. I was down stairs, and I took no part in it.' Numbered buttons and ribbons were found on the men. Some had League for Social Justice pamphlets, and others Social Credit Party ribbons or badges. Cross-examined by Mr. O'Connor, Mackay denied that he had interviewed any member of Parliament before signing the warrant. Mr. O'Connor: Did you have any information from any individual member of Parliament that he was in fear? Mr. Hishon:



Is he obliged to disclose his source of information? Mr. O'Connor: I think he is. There is a recent High Court case. Mackay: I heard several members speaking. One was the Minister for Health and Home Affairs (Mr. Hanlon, another the Attorney-General. No one made a complaint to me. Did you assume the information to which you swore? — I heard these two members I have mentioned speaking upstairs. But they did not tell you that they were in fear that these people would disturb the peace? — They did not tell me. I heard messengers speaking before I obtained the warrant.

These people conducted themselves in an orderly fashion while you were there?— Yes. And there was no breach of the peace while you were there?— No. Mackay told Mr. Mitchell that he could identify all of the men, and at his request walked among them, and picked out Sydney David Protheroe. Mr. Mitchell: How many police were there? Mackay: About 14 or 15 while the men were in the room. He added that 33 men were found in Parliament House and four others were removing 'barbed wire and other paraphernalia' from a car outside the premises. Constable L. J. Birmingham said that he heard one of the men in the Legislative Council Chamber say to Gray, 'Did you do any good?' Gray replied, 'No, but he will hear a deputation later.' Mr. J. J. O'Connor appeared for 22 of the men. Mr. K. H. Mitchell for nine, and Mr. D. T. Miller for seven. — *The Courier-Mail, Brisbane, Qld. 1933-1954, Tuesday 22 August 1939, page 3.*

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#### **WITNESS TELLS OF LEAGUE MEETINGS Caucus Raid Meant To 'Force Reforms'**

Allegations that men associated with the League of Social Justice had visited Parliament House in batches 'to see the lay of the land' were made in the Police Court yesterday when the hearing was resumed against the 37 men charged with having so assembled at Parliament House on August 4 as to give fear that they would tumultuously disturb the peace. This evidence was given by a witness who claimed to have been appointed secretary at the formation of the league, but had not been actively associated with it nor had carried but his duties. It also was alleged that, when the man who claimed to be the leader was informed that the men might be arrested, he said: 'We can't help that. We have got the publicity. We have followers in every town in Queensland, including ministers of religion. The men were remanded to this morning, bail being extended. When the adjournment was made yesterday 136 exhibits were before the Court. These included warrants for every man, batons, button badges, ribbons, and pamphlets. Nigel Philip Arthur Bonsey of Boundary Street, journalist, who was in the witness-box for more than an hour said that 12 months ago he attended a meeting at the Young Men's Christian Association's premises to form a league for social justice. Gray, Cash, Cameron, and others were there. Cameron presided, and gave an address.

When the defence objected to this evidence Mr. P. M. Hishon, C.P.M., replied that it went to disclose a common purpose. The objection was noted. Mr. Miller: There is no evidence to link this meeting with the event at Parliament House. Sub-inspector Brannelly: I think my friend will be satisfied when this witness is finished that there is. Bonsey said that Gray gave an address on the condition of State and civic finances, advocated

drastic monetary reform policies, and suggested the formation of a League for Social Justice to propagate reformist ideas constitutionally. Sub-inspector Brannelly: Were officers elected? — Yes. Gray was elected president. Mr. Lloyd. Olsen vice-president, Cash ' treasurer, and myself secretary. No minutes were taken. There was to be no subscription. If money were needed we would have a secret collection at meetings. The league was to be non-sectarian and non-political. Bonsey said: that he did not perform any duties for the league. Sub-inspector Brannelly: Did it function actively? I think they had one or two meetings at the Y.M.C.A., but I was not present.

Bonsey added that he saw Cash who was an old friend frequently. Early in December Cash invited him to go to Caboolture, where he and Gray were to address pineapple growers. 'On the way back to Brisbane the question was raised by Gray and Cash of endeavouring to force the hand of Parliament by direct action. I said I thought it would be a bit risky.' Sub-inspector Brannelly: Was anything said about the class of people who would be approached?— Yes. I understand that Gray had been contacting various bodies who were disgruntled, such as small farmers, business men, taxpayers' associations, and religious life, but in the main he suggested that farmers use direct action on Parliament to force through certain reforms. I did not take it seriously. Mr. Hishon: Does this go to establish a common purpose? Sub-inspector Brannelly: Yes. Mr. Hishon (to Bonsey) : I do not think you are obliged to answer any questions that may tend to incriminate yourself.

#### **'Threat, Not Actual Force '**

Bonsey said that 'a couple of 'months ago' Cash invited him to a committee meeting of the league on a Saturday afternoon at the Social Credit Party's rooms, Albert House. 'I attended it for a short time,' he said. 'Cash, Gray, Boorman, Wood, Dameron, and another man were present. Gray again raised the question of applying force to Parliament to get various radical measures passed. Cash made it clear that the idea was to use a threat of force and not actually to use force. He said that previously, he had. a plan to take a deputation of about 100 men to Parliament House in August, and wait upon the politicians; but because of the death of the late Speaker (Mr. Pollock), who was sympathetic, the plan had been altered.

#### **'Sick of Caucus'**

Sub-inspector Brannelly: Did he produce a list? Bonsey: Yes.' Apart from Pollock — who he said was very favourable towards the cause, and who, I gathered, knew something of the plan which Gray was enunciating — he had a list of members of the Government who were regarded as favourably disposed to the aims of the league. Gray said that many younger Parliamentary Labour members were heartily sick of Caucus and Cabinet domination. Gray had said he had visited Parliament House with various men to see the lie of the land. There was a cafe and food for six weeks. Gray said, 'We will go down and interview members of the Cabinet. We will take 40 or 50 men, and if the politicians get tough we can barricade ourselves and them inside the place, and force them to accede to our demands.' Sub-Inspector Brannelly: Was anything said regarding batons? Bonsey: Cash said: 'One of our men has a mill and has made 300 batons. He added that

there was no intention of using force or clubbing anybody, but that the batons would be an asset in any display of force.

Sub-Inspector Brannelly: Did you have anything to say at that stage? Bonsey: I said: 'The plan is fantastic and purely unconstitutional, and I must disapprove of it in its present form. I said to Gray: 'You claim to have 17,000 supporters in the bush. Why not bring some of them to town and hire the City Hall and hold a big meeting of the League for Social Justice? Then if things get tough and they get out of hand, you can approach the authorities and say you have no means of controlling your supporters.' Gray said: 'We would never be allowed to hold the meeting in the first place.' His plan was a case of the ethical overriding the legal. 'I left the meeting,' Bonsey added, 'and I heard no more about it until I saw the Press placard on August 4. I did not take this business seriously, and it came as a terrible shock to me.'

#### **Articles Seized**

Mr. J. J. O'Connor (who appeared for 22 defendants): You were a foundation. member of the league? Bonsey: Yes. Do you still believe in its aims and objects?— Yes. Why not? Bonsey said that he was now assisting with the management of a coffee lounge. He had been connected with the Catholic Leader, and still wrote occasional articles for publication. Mr. O'Connor: How did the police get in touch with you?— All I know is that they had seized some articles of mine in print and one in manuscript at Albert House, and they called down and asked me what I knew about them. They were ones I wrote for the Social Credit paper. Mr. D. Miller (who appeared for seven defendants): Anything said at the meeting would not be binding on any member of an organisation? — No, so far as I know. Only four meetings have been held in the year. Mr. K. H. Mitchell (who appeared for nine defendants) : To whom do you write articles? — To any paper, irrespective of its policy. I have even had an article reprinted from the Leader in the 'Clarion. You possibly find it hard to distinguish between fact and fiction?— Don't be absurd! . You draw on your imagination a lot? — I use my imagination when writing short stories, but I write articles to express my views. Bonsey said that he was a member of the United Australia party. Mr. Mitchell: Your suggestion of the meeting in the City Hall was rather fantastic? — Yes, possibly it was.

#### **Badge as Souvenir**

Plainclothes Constable E.F.P. Lee said that G.H. Anderson, one defendant, said to him at Parliament House: 'Don't you know why we are here?,' 'Have you read one of the pamphlets?' and handed him a cream coloured pamphlet of the League for Social Justice. Gray said that if he could he would help with the men's names. He added that he was responsible for most of the men being there. He said that he asked Gray if he had got into the caucus room. Gray replied: 'I was speaking to the Premier, and he said he would hear our deputation, but immediately the sergeant of police 'put his nose inside the place he refused to hear us and gave us in charge.' When Gray admitted that he was the leader of the men, said Lee; he pointed out that Gray was wearing a No. 2 badge, and asked where was the No. 1 man Gray replied: 'There, is none.' and handed him an envelope with a No. 1 badge, saying: 'You can keep this as a souvenir.'

#### **'We Have Publicity'**

Sub-Inspector P. J. Mullally said that Gray told him at Parliament House: 'We have been endeavouring to get a hearing from the Government by deputation. We have held several meetings, and decided that a number of us would come here to-day after a meeting. We knew a Caucus meeting was on and we intended to force our way into the Caucus room. We intended to stage a sit-down strike. Members of the Caucus would be with us, and we were going to stay there until we got a hearing. We were going to use the barbed wire to put about the stairs and windows and stop you fellows coming in, but you came on the scene too quickly. We did not mean to harm anybody. We were only going to bluff them.'

'I said: 'This has developed into a serious matter', added Mullally. 'You may be arrested. He replied, 'We can't help that. We have got the publicity, and that's what we wanted. We have followers in every town in Queensland, including ministers of religion'. Mullally added that Riches said that he knew there would be trouble over the batons, and did not bring one. The rush up the stairs at Parliament House was described by Herbert Allan Farmer, messenger. Cameron, who was leading, said to him: 'Out of the way brother, and we won't do you any harm.'

'Cameron raised his baton, and I put up my hand to protect myself,' said Farmer. 'One man said: 'He can't top us. On you go. I told them that they were mad, and that their action would get them nowhere. Cash said: 'Stand out of our way, and we will do you no harm.' They broke through and made their way to the Legislative Council Chamber. Farmer said that the chief messenger and two of the library staff were ordered to stand where they were. Mr. O'Connor: Cameron said that he did not intend to do you any harm, and Cash repeated it on two occasions. Did you believe him? — I had to take his word for it! Mr. Hishon: Up to that time did you have reason to fear them? — When they entered the building they looked dangerous. Once the men got inside the Caucus room those outside appeared quite decent. — *The Courier-Mail, Brisbane, Qld. 1933-1954, Wednesday 23 August 1939, page 9.*

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#### **BARBED WIRE TO GIVE YOU BOTHER Evidence in Unlawful Assembly Charge**

Barbed wire, badge buttons, and implements alleged to have been found in a car were exhibits in the Police Court yesterday, when the hearing was continued against the 37 men charged with unlawful assembly at Parliament House on August 4. It was alleged that the car was found within the grounds near the Alice Street entrance. One of the defendants is alleged to have told the police that the barbed wire 'was to give you a bit of bother.'

Evidence was given that the Treasurer (Mr. Cooper) indicated one man who had put his hands on Mr. Cooper's chest and pushed him into a chair, saying, 'Sit down, you!' It was added that Mr. Cooper said to him, 'Are you a detective?' and that the man replied, 'No,' and walked away. The men were further remanded for a week, bail being extended. Detective Constable G. H. L. Welldon said that he saw Boorman, Bunoury, Sims, and Wood near the Alice Street entrance to Parliament House. A car was in the grounds and Boorman was looking into it. All wore badges and ribbons in their

coats and held brown paper parcels, and all except Bunbury, who was on the steps of Parliament House, carried batons. The Minister for Health and Home Affairs (Mr. Hanlon) said, 'These are four of them. All of those wearing badges are the ones. Stop them all as they come out.' Mr. Hanlon then left. Welldon said that Sims, who claimed that they were a deputation to Parliament House, denied that he knew what was in the parcel he carried, and said that the batons were for their own protection. On opening one of the parcels carried by Wood, said Welldon, he saw rubber and another small parcel inside it. Sims carried a small coil of barbed wire and sheet rubber, and staples were in other parcels. Boorman said that the car was his property and that the barbed wire carried by Sims, seven similar parcels found on the carrier, and a suitcase in the car 'belonged to the league.' 'I said to Boorman, 'What is the demonstration? Are you representing the unemployed?' continued Welldon. 'He replied, 'We are representing all walks of life. We are trying to get you a 40-hour week. Read this, and it will tell you all about it'— and he gave me a pamphlet.' Boorman said that their object in visiting Parliament House was to place their demands before members of Parliament after they had turned down a request to hear a deputation.

#### **Wedges, Pliers, Files**

Welldon said that, a large envelope bearing the insignia of the Douglas Social Credit Party, and numbered '65,' contained 28 small badges similar to those worn by the men. Two other envelopes that held six and 13 badges respectively were marked 'over 200' and 'under 200.' In another large envelope, marked 'Mr. Cameron,' was a sheet with 25 names, 22 of which were the names of defendants. Seven badges were attached to the sheet. An attache case contained 20 small wooden wedges, 61 armbands to which were attached ribbons similar to those worn by the men, six new electric torches, one new and one old claw hammer, two pairs of new pliers, five new three-cornered files and a small bottle containing disinfectant. Another parcel of staples and rubber was in the back of the car. Boorman said : 'The barbed wire was to give you a bit of bother. The rubber was to prevent the barbed wire scratching furniture and railings. One thing we aimed at was to prevent any damage to property.'

#### **Mistaken For Hockey Men**

Continuing, Welldon said that when Mr. H. G. Harris, chief messenger, was confronted with Cash he said: 'I showed you over the House some time ago. You were introduced by Mr. Hislop. You were then with Gray. You came again some time later with another man, and I showed you over the House again. You came again about two weeks ago and I showed you over the House again. You were then accompanied by a man whom you introduced as a business man from Sydney.' The men in the dock laughed out-right when Welldon added that Harris said, 'I was told a number of men were arriving in cars at the front door. I thought they were hockey players and went out to meet them.' Harris added that Cash said, 'It is all right, Mr. Harris,' and pushed past him into the main entrance and upstairs to the Caucus room. Welldon, continuing, said that the Treasurer (Mr. Cooper) identified H. S. Anderson, saying: 'He put his

hands on my chest, pushed me into a chair, and said, 'Sit down, you!' I said, to him, 'Are you a detective?' He replied, 'No,' and walked away.' Mr. D. Miller (for seven of the men) : You cannot definitely say this is a Douglas Credit Party badge? Welldon: No. Mr. K. H. Mitchell (for nine of the men): Did you see anything to cause you to arrest anyone? — No

Mr. J. J. O'Connor appeared for 22 of the men, Mr. Mitchell for nine, and Mr. Miller for seven. Yesterday a witness, Nigel Bonsey, was reported as having said that he had been connected with the Catholic Leader. This should have been The Advocate. — *The Courier-Mail, Brisbane, Qld.1933-1954, Thursday 24 August 1939, page 4.*

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#### **'BATONS PREVENTED DECENT BRAWL'**

##### **No Force Was Intended In Parliament Raid**

Claiming that the possession of batons by members of the League of Social Service prevented a brawl during their alleged raid on Parliament House on August 4, one of the party, according to Detective Constable C. E. Risch, said, 'When the men were in the caucus room Bulcock picked up a chair, but when one of the men held his baton up he dropped it.' Risch gave this evidence in the Police Court yesterday, when the hearing of the case against 37 men charged with unlawful assembly was continued. Mr. P. M. Hishon, C.P.M. declined to admit as exhibits two tins of household stain — 'similar to the stain on the batons' — several rolls of coloured ribbon, and other articles, which Risch said he found in the office of the Social Credit Party. 'I do not think they are relevant,' Mr. Hishon told Detective Sub-inspector T. M. Brannelly, who prosecuted.

Risch said that at the City Watch house the defendant Gray told him that the raid on caucus was discussed at a delegate meeting of the league in the Catholic Leader Hall on the morning of August 4. Before that he had sent about six telegrams advising men to attend. 'Some of them did not know what was doing until they arrived at the meeting,' Gray allegedly added. 'That is why it was so unexpected. If it had been the Communists, the police would have known all about it, and would have been waiting down there for them. I suppose I must take responsibility. I was chairman of the action committee.'

##### **For Own Protection**

Continuing, Risch said that Gray told him that political capital might be attempted by saying that action was taken by the Social Credit Party, but that the party had nothing to do with the league. When asked who had distributed the batons, Gray said: 'I am not going to implicate anyone. It was intended that no force was to be used. The batons were given to the men more for their own protection. If they had gone unarmed, someone might have used force on them, and there would have been a decent brawl. I made it clear to the men at the meeting, before they went down to Parliament House, that no force was to be used unless they were attacked. I am satisfied that it was because the men were armed that there was no brawl.' Risch said that Gray also told him that he and other men had genuine grievances, and had tried to arrange deputations. 'They would not listen to us, and that appeared to be the only way to get them to listen,'

Gray added. Risch also gave evidence of a visit to the Social Credit Party's rooms, in Albert House, with Detective Welldon and the defendant Cameron, who admitted that he was secretary of that party. On finding the tins of household stain and brushes, Risch asked Cameron, 'Was this used to paint the batons?' Cameron replied, 'I don't know anything about it. I prefer not to answer questions.' Cameron made a similar reply when asked whether a quantity of white cords had been cut into lengths to tie on the batons. Mr. D. T. Miller (appearing for seven of the men) : With regard to your evidence about Bulcock raising a chair, are you sure there was mention of a baton being raised, or of a man walking towards Mr. Bulcock? Risch: My recollection of it is that it was stated that a baton was shown to him or held up.

#### **'Conference of Farmers'**

James Rankin, manager of the Catholic Leader, said that the defendant Cash interviewed him about July 28 to engage the Leader Hall for a meeting of farmers. 'He casually mentioned that it was just a conference of farmers, and that there would be no noise or annoyance,' Rankin added. When he saw Cash at the watch-house on August 5 he said to him, 'This was a nice thing to put over me.' Cash replied, 'I did not know anything like this was going to happen.' Herbert G. Harris, principal messenger at Parliament House, recalled having shown Cash over Parliament House on three occasions. When he saw Cash with other men, at the entrance to the House on the morning of August '4, he said to him, 'What Is your business?' and Cash answered, 'It is all right, Mr. Harris.' A group of men hurried past into the vestibule. The majority had batons, and four or five went towards the switch room. While walking along a corridor, said Harris, he met Gray, who said, 'We don't' want to hurt anyone, Mr. Harris.' Harris replied, 'What a lot of fools you are, making a demonstration of this kind. You talk of Mussolini and Hitler, but you are adopting the same methods to bring that about. This will get you nowhere. If you have a grievance there is a remedy.' As he saw some of the demonstrators enter the caucus room he opened the door slightly and saw the Premier talking to some of them. Later he saw police taking the names of the demonstrators. Mr. J.J. O'Connor (for 22 defendants): You weren't afraid of these men, were you? ? Harris: Yes, when I saw the batons in their hands. How did you try to stop them? I grappled with one of them, and he wrestled with me. He did not try to strike you?— No. Would you say that he used considerable force with you?— No. Mr. Miller: When you looked into the caucus room did you see any violence? — No. The hearing will be continued today, when Detective Sub-Inspector Brannelly expects to complete the Crown case. — *The Courier-Mail, Brisbane, Qld. 1933-1954, Friday 1 September 1939, page 5.*

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#### **37 FOR TRIAL OVER RAID ON PARLIAMENT HOUSE Ministers Tell Of Scene In Caucus Room**

Saying that he believed a prima facie case had been established, Mr. P. M. Hishon, C.P.M., in the Police Court yesterday, committed the 37 members of the League of Social Justice, who allegedly raided Parliament House on August 4, for trial at the next sittings of the Supreme Court. Through their counsel, all pleaded not guilty, on the charge of having so

assembled as to give fear that they would tumultuously disturb the peace. Each was allowed bail in his own bond of £50.

The Crown case closed with the evidence of the State Treasurer (Mr. Cooper) and the Minister for Health and Home Affairs (Mr. Hanlon), who told of incidents in the caucus room when a group of men, armed with batons, entered during a meeting of the Parliamentary Labour Party. Mr. Cooper said that he was on the dais counting a ballot when the men entered the room. The Premier said, 'What is the meaning of this?' and one man, who Mr. Cooper understood was McMartin, answered, 'Keep your seats.' He spoke in a commanding voice. The Premier replied, 'I am not taking any instructions from you. What is the meaning of this intrusion?' McMartin repeated, 'Keep your seats, all of you.' The Premier went towards McMartin, and called out, 'Send for the police.' Detective Sub-inspector T. M. Brannelly: What were your feelings about this period? Mr. Cooper: My feelings were that we might see a dozen or more men stretched out over the Chamber in a little while. I was afraid there might be a clash. Anderson came from the dais end of the chamber and twice pushed him and said, 'Sit down, you,' Mr. Cooper continued. Following this incident he asked one of the intruders, 'What is at the back of this?' and was told, 'You will know in a minute when our leader arrives.' Soon afterwards the police arrived.

Mr. J. J. O'Connor (for 22 defendants; Were these two incidents the only occasion you saw force being used? Mr. Cooper: Yes. Could you see from the attitude of the Premier and the defendants that he had the matter under control? — Some little time after they came into the room it was apparent that the Premier had the matter in hand. I felt then that the risk was not so great. Mr. K. Mitchell (for nine defendants): Would you be satisfied if we said it was a deputation? — No. I do not know of another instance where men have approached the authorities in such a manner.

#### **'Premier Showed No Fear'**

Mr. Hanlon said that after telephoning the Commissioner of Police he left the building and awaited the arrival of the police, whom he told to guard the doorways so that no one could leave the building. He directed them to the stairs by which he had left the Legislative Council chamber. Later, when he said to one of the policemen, 'Here are some of them,' the defendant Boorman said, 'We are not armed. We mean no violence.' Pointing to batons', 'he said to Boorman, 'What do you class these as?' To Mr. O'Connor, Mr. Hanlon said that the men did not make sufficient noise to attract his attention from a letter he was writing at the caucus meeting. He was satisfied that the Premier could handle the situation. Mr. O'Connor: He showed no fear? Mr. Hanlon: No. His manner was very aggressive? — Yes. Calm, but quite determined. Did you have any fear of them? — No, not personally. Outside of the command to members of the caucus to keep their seats and the fact that the men entered the room there was no disturbance? — No. Mr. Miller: Did you fear for the Premier's safety? ' Mr. Hanlon: Not particularly for the Premier's, no more than for McMartin's. The Premier had plenty of backing. It was not the Premier's personality or his power alone that controlled the situation? — No.

#### **'Cranky Stuff'**

Shown a pamphlet, Mr. Hanlon said that it was the 'cranky stuff that is put over by weird political organisations which arise from time to time.' After examining Mr. Hanlon about the duties of his office Mr. Mitchell asked: 'I suppose all the liquor laws are kept?' Mr. Hanlon: As far as I know. Do you know there is a poster outside the Trades Hall at present?— I have not passed the Trades Hall recently. If I told you there was a poster there decrying the Government of the land what would you do?— I cannot help it. Would you order it to be pulled down? — If it was necessary I could. You did not see anything to justify the arrest of anyone? — I saw a gathering of armed men threatening another body of men, and that soon one side or the other would be injured unless I secured police protection.

#### **'Position Was Tense'**

Mr. Vincent Clair Gair, M.L.A., and secretary of the Parliamentary Labour Party, said that when the caucus meeting was disturbed he left the Chamber to telephone the police. When he returned he found the position tense and the outlook grave, and becoming apprehensive, he removed his glasses and put them in his coat pocket. Charles Leslie Hall, caretaker of the Catholic Leader premises, gave evidence of having prepared the Leader hall for a meeting on August 4. He saw six men in the hall at 8.30 a.m. One was Boorman and another was a clergyman. Kevin James Reardon, a temporary messenger at Parliament House, said that when a number of men asked him to take them to the caucus room and he refused, they held up batons, and Boorman said: 'Lead the way. Take us to the caucus room.' He took them in the opposite direction, and broke away. Two or three ran after him and seized him by the arms. One said: 'You had better take us down to the caucus meeting.' — *The Courier-Mail, Brisbane, Qld. 1933-1954, Friday 1 September 1939, page 5.*

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#### **Caucus Raid Case On Monday**

THIRTY-EIGHT men charged with having unlawfully assembled at Parliament House are required to surrender their bail at the Supreme Court at 9 a.m. on Monday, when their trial will begin. Jurymen empanelled to attend the Court are requested to be at the City Hall and to produce their summonses at the same hour.

The actual opening of the case will take place in the City Hall, where the jury will be empanelled. The Sheriff (Mr. J. S. Emerson) said yesterday that the City Hall had been chosen because it would accommodate the record panel of 600 jurors in a manner consonant with the dignity of the Court in which the Chief Justice (Sir James Blair) would preside. A cedar Bench taken from the court house will be erected on the concert platform, and his Honour will wear a long wig and scarlet and ermine robes.

The Sheriff will be seated on his left and the Court reporters on his right. A place below the platform has been assigned to the associate and the Sheriff's clerk. The Bar table will be on the hall floor, opposite the judge, and farther back the accused will stand in crescent formation. The box for the selected jury will be near one end of the Bar table, and the Press desks near the other end. Six hundred chairs will be set out for the jurors. The public will be admitted to the gallery. The only people who will be allowed on the floor, besides

the accused and the jurors, will be barristers and solicitors and their clerks engaged in the case, court officials, and press men. Jurors will walk into the hall through the main entrance, where the Supreme Court bailiffs will mark their attendance. When the jury is chosen the proceedings will be continued in the Court House. — *The Courier-Mail, Brisbane, Qld. 1933-1954, Friday 6 October 1939, page 6.*

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#### **CAUCUS RAID TRIAL OPENS 38 MEN APPEAR IN SUPREME COURT Unlawful Assembly Charge**

'THE present case contains the essence of an attack on the liberty of the elected representatives to Parliament,' said he Crown Prosecutor (Mr. J. A. Sheehy) yesterday, when opening the case against 38 men charged with unlawful assembly. The Chief Justice (Sir James Blair) presided. Proceedings, which started in the City Hall in the morning, were resumed in the Supreme Court House in the afternoon. The trial will be continued to-day.

THE indictment alleged that the men assembled together on August 4 last, at Brisbane, and being so assembled conducted themselves in such a manner as to cause subjects of our Lord the King in the neighbourhood to fear, on reasonable grounds, that they would tumultuously disturb the peace. Each man pleaded not guilty. Mr. Rex King applied for a separate trial for Cavey. His Honour said that he would consider that after the case had been opened.

#### **Liberties of People**

Mr. Sheehy, opening the Crown case, said that in this country they had a remarkable amount of liberty — liberty of conscience, of speech, and of action. One of those liberties was that no person should be deemed to be guilty of any offence until he had been proved to be guilty. But corresponding with their privileges there were duties. While their own rights were protected they must not trespass on the rights of others. It was not for them to take measures into their own hands, when they thought they had a grievance, in such a way as to detract one iota (from the liberty of their fellow subjects. Among other things, said Mr. Sheehy, in Queensland they had liberty of franchise to select their representatives to Parliament, and if their representatives did not please them, they had the proper constitutional remedy. The jury, no doubt, would be told that, after all, only a political meeting was interrupted. That was not so. It was a plan carefully prepared by a minority of people who thought they had a grievance, to put fear into people's minds in such a way as to induce those people to act against what they thought was fit and proper. It was not alleged against the Rev. Father Cavey that he was actually present at the time of the unlawful assembly, but it was the law and common sense that any person who aided or assisted another in the commission of an offence was guilty of the commission of that offence, and might be tried at the same time as the actual offender.

#### **'Forerunner Of Sedition'**

'What these accused did,' continued Mr. Sheehy, 'was the fore runner of sedition. An unlawful assembly is a direct attack on the King's peace.' Men were roped in from the country, and certain key men appointed, and preparations were made for producing a show of force. A number of batons were specially made by a certain sawmiller, and a large quantity of barb wire

was produced. By pre-arrangement they approached Parliament House in force, overpowered the messengers, and used force to do so. They burst their way into the Legislative Council room, where the members of the Government party were then in caucus, and displayed and used force to endeavour to induce these Government members to do what this little minority thought was proper in ruling this country. Mr. Sheehy said that the first witness would be Nigel Arthur Philip Bonsey. He would say that he was interested in this league at the time it was first mooted. He was present at a meeting held in the Y.M.C.A. rooms about 12 or 15 months ago. The accused Gray was the ringleader. He was wearing No. 2 badge. Cash, wearing No. 3 badge, and Cameron, also were at the meeting. Gray took the chair, and advocated drastic monetary reforms. On his suggestion, the league was initiated, and called, the League of Social Justice. Gray was elected president, Cash treasurer, and Bonsey secretary.

#### **'Meeting of League'**

Bonsey would tell the jury that two months before August 4 he attended at the invitation of Cash a meeting of the League at the Social Credit Party rooms on the fourth floor of Albert House, said Mr. Sheehy. The accused Cameron was secretary of the Social Credit Party. Gray said that he had planned to take a deputation of about 300 men down to Parliament House during August to wait upon politicians, but because of the death of the late Speaker (Mr. G. Pollock), who had been sympathetic to their aims, the plan had been altered, and the new proposition was to take 30 or 40 men down to wait on the Caucus or Cabinet, and endeavour to have measures put through that way. Gray had cited a case where, he said, in a small European country, methods of that kind had been quite successful.

People who came from the country into the city had barricaded themselves and members of the Cabinet on the second floor of the Legislative Chamber, and had held the politicians as hostages. When the leader of the police arrived, the leader of the violent deputation, by threatening force to the leader of the political party, was able to so work upon him as to induce the success of their extreme methods. Gray had said that by using these methods they could get their reforms through Parliament. The idea was not to overthrow the Government, but by a threat of force to take certain steps to reform the laws. Mr. Sheehy said that Bonsey had pointed out that the plan was unconstitutional and fantastic, and had disapproved of it. He had suggested an alternative. He had been told that there were 17,000 members of the League, and he had suggested that they should hire the City Hall to hold a big meeting. If things got out of hand, they could approach the authorities, and say that they had no means of controlling their own supporters. Mr. Sheehy had not finished his opening when the Court adjourned until to-day. Mr. D. Casey (instructed by Mr. J. J. O'Connor) appeared for 22 of the men; Mr. L. L. Draney (instructed by Mr. D. T. Miller), for seven, and (by Mr. K. H. Mitchell) for eight. Mr. Rex King (instructed by Mr. K. H. Mitchell) appeared for Cavey. — *The Courier-Mail, Brisbane, Qld. 1933-1954, Tuesday 10 October 1939, page 6.*

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#### **NO SEPARATE TRIAL FOR CLERGYMAN**

Special Dock for 38 on Caucus Raid Charge

Reserved seats with their names on them were allotted to the 38 men whose trial was continued in the Supreme Court yesterday, on charges of unlawful assembly arising from a raid on a Caucus meeting at Parliament House on August 4. No dock in the courts was big enough for so many prisoners, so the biggest court was re-arranged, the defendants occupying the Press benches and additional seats beside them.

In front of the dais occupied by the Chief Justice (Sir James Blair) was a pile of coils of barbed wire, and beside the row of reference books on the bar table were ranged a row of batons. Interest among spectators in the public gallery dwindled when the Crown Prosecutor's opening ended late in the morning and detailed police evidence began. Resuming the opening of the Crown case, the Crown Prosecutor (Mr. J. A. Sheeny) said that George Henry Gray, who appeared to be the ringleader, told

Sergeant J. N. McKay at Parliament House after the raid that the raiders had intended to put up a fence around the railings of the caucus room with the barbed wire rolls they carried. They had strips of rubber to protect the railings from damage by the wire. Staples were to be used in making an apron fence of barbed wire. They had 10 rolls of wire — in all 50 chains. 'We were going to get behind the fence and stage a sit-down strike,' he had said. 'No one could have got to us.' When McKay asked Gray what the raiders were going to do 'when the belt began to pinch.' Mr. Sheehy said, he replied: 'We would have had all the sitting members of Parliament with us. If we could not have got food, neither could they.'

#### **Social Credit Office 'Finds'**

Later, Mr. Sheeny said, Gray told Sub-Inspector Mulally that his party had been endeavouring to get a hearing from members of the Government in a deputation: but this was refused. The intention in raiding the Caucus meeting was to get a hearing. The barbed wire was to stop the police from getting in. He had added: 'We have, got the publicity, and that's what we want.' In conversation with Detective Risch, Mr. Sheeny continued, Gray denied that the Social Credit Party had anything to do with the raid. Risch found correspondence relating to the raid at the Social Credit Party rooms. Philip John Kellett Cameron, one of the defendants, was secretary of the party. Two tins of stain similar to the stain on the batons carried by the raiders, paint brushes, rolls of ribbon similar to the ribbons the raiders wore, and lengths of white cord similar to those on the batons were found in the party room. There was also a bundle of pamphlets and correspondence addressed to Gray, some of it dealing with the raid, Cameron had said that Gray used that office. When Detective Risch saw the Rev. Father James Vincent Cavey at the Telegraph newspaper office, Mr. Sheens said, Father Cavey told him he was on the public relations committee of the League for Social Justice. He had attended the meeting before the raid. He was not in agreement with the proposal to go with force to Parliament House; but the others would not listen to him. He was to await word from the raiders in an office in King House and to go to the Telegraph office and the Criminal Investigation, Branch. 'He was the publicity officer, to see that the thing was fully reported,' said Mr. Sheehy. 'He knew what was to happen that day, and suggested that walking sticks would be just as effective as batons if necessary.'

#### **Separate Trial Refused**

Mr. Rex. King, for Father Cavey, submitted in the absence of the jury, at the end of Mr. Sheehy's opening, that there was no evidence against him as a principal in the affair. The Chief Justice: I am against you on that. Mr. King then applied for a separate trial for Father Cavey, contending that it was likely that he would be prejudiced by a great body of evidence not applicable to his case. Rejecting this application Sir James Blair said that it could be renewed at a later stage if necessary. So far there had been nothing to show him that Father Cavey would be prejudiced by evidence irrelevant to his case. 'I think,' he said, 'that most of the evidence that prejudices him is what he gave himself.'

#### **What Messenger Saw**

Herbert Green Harris, principal messenger at Parliament House, gave evidence that he saw men with batons in the House on August 4. Some held the batons up, and the sight intimidated him. After he walked out to look for policemen, the main entrance doors were closed. He climbed through a window, returned to the vestibule and saw five or six men with batons, and buttons and ribbons on their coats. Cross-examined by Mr. Casey, Harris said that no one struck him, but he was frightened. He spoke to some men at the foot of the stairs. He had often seen deputations come to the House. His Honour: Have you ever seen a deputation armed with batons? Harris: No. Mr. Casey: Have you ever seen the red flag about Parliament House? Harris: No. I have seen it carried in political demonstrations. I take it the men did not bring batons for amusement. He told Mr. Draney that no one threatened him that day. The trial will be continued to-day. Mr. D. Casey (instructed by Mr. J. J. O'Connor) appeared for 22

of the men. Mr. L. L. Draney (instructed by Mr. D. T. Miller) for seven, and (instructed by Mr. K. H. Mitchell) for eight others, and Mr. Rex King (instructed by Mr. K. H. Mitchell) for Cavey. – *The Courier-Mail, Brisbane, Qld. 1933-1954, Wednesday 11 October 1939, page 5.*

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### **THOUGHT CAUCUS RAID FANTASTIC 'Rooseveltian Radical' Gives Evidence**

Nigel Arthur Philip Bonsey, journalist, of Boundary Street, Brisbane, described himself politically as a 'Rooseveltian Radical' when he gave evidence before the Chief Justice (Sir James Blair) and a jury in the Supreme Court yesterday against the 38 men charged with unlawful assembly in the Parliament House Caucus raid on August 4.

Bonsey described the first meeting of the 'League for Social Justice,' at which, he was elected secretary. He said he had opposed the raid plan as fantastic and unconstitutional. 'I had a very big wrestle with my conscience as to whether I should tell the authorities at once,' Bonsey said. Twelve to 15 months ago, he said: Harry Algernon Cash, one of the accused, wrote to him asking him to attend a meeting at the Y.M.C.A. building. Another of the accused, George Henry Gray, gave an address on monetary affairs in which he predicted accurately the situation that had since developed in Brisbane City Council affairs. He advocated in essence social credit policy and drastic monetary reform, and suggested the formation of a League for Social Justice, non-political and non-sectarian, to propagate reformist ideals. On Bonsey's motion Gray was elected president of the league. Cash was made treasurer, and Bonsey secretary. Some time later, Bonsey said, he went in Richard Newton Boorman's car to Caboolture, where Gray addressed a meeting of pineapple growers.

On the way back to Brisbane in the car Cash, Gray, Boorman, and he talked of an attempt to get reform measures through Parliament by an organised display of force. Bonsey said he had told the others the suggestion was 'a bit risky.' About two months before the Caucus raid, Bonsey continued, he attended a meeting of the committee of the League for Social Justice in the Social Credit Party rooms in Albert House. Gray led a discussion on a plan for a display of force at Parliament House. He said a proposal to bring 300 men had been discarded as unwieldy in favour of a scheme to take 40 to 50 men to call on Caucus in session, and by this display to compel Caucus to put through monetary reforms. 'I told them it was fantastic and unconstitutional,' said Bonsey, 'and I felt bound to disapprove.' Cash, he continued, said: 'One of our men has a mill, and he has made 300 batons.' It was made clear that there was no intention of using the batons to harm anyone. They were merely for display.

#### **'Rooseveltian Radical'**

Bonsey said he left the meeting early, and heard no more of the plan until after the raid was over. To Mr. Casey, who appeared for a number of the accused, Bonsey said the League for Social Justice 'was a 'perfectly respectable organisation.' Bonsey told Mr. Draney, appearing for others of the accused, that he was a member of the United Australia Party Junior League. He had supported the Labour Party (though not favouring its socialisation objective) until it abolished relief work last year. Mr. Draney: How do you describe yourself — pinkish, red, or blue? Bonsey: I describe myself as a Rooseveltian Radical. Mr. Draney: What have the police got on you that you should turn around against your pals? The Crown Prosecutor (Mr. J. A. Sheehy) : I object strongly to that question. Bonsey: I came here voluntarily, without the police having anything 'on me' at all.

#### **Messenger's Arms Held**

Kevin James Riordan, of Red Hill, temporary messenger at Parliament, said that he was in a room at the Alice Street end of the House, about 11.20. am on August 4, when five or six men, including Boorman and G. Anderson, entered. Boorman said: 'You are taking us to the Caucus room.' They held up batons. He feared they might use them. Riordan explained that he walked with them to the chief messenger's room, and then moved away. Some followed him. G. Anderson took his

left arm, and another man his right arm. Some one remarked: 'You had better take us to the Caucus room.' When they got to the library he saw more men with ribbons, badges, and batons. Boorman told Riordan to stay there. He was released, and later saw police men and men coming out of the Caucus room. Mr. Draney: Did not P. J. K. Cameron approach you at the House early in the morning of August 4, and discuss a deputation? Riordan: I do not remember seeing him. His Honour: Do you remember any one conversing with you about a deputation? Riordan: No. Mr. Draney: Would you swear no one did? — I could not swear that. Riordan told Mr. Draney that when the men first entered they said that they were a deputation to Caucus. Before the Court adjourned Mr. Casey announced that a relative of G. H. Anderson, a defendant, died on Tuesday night. Counsel asked his Honour to allow Anderson to attend the funeral. His Honour directed that arrangements be made accordingly, and adjourned the Court until 2.30 today. The jury will be taken for a drive into the country this morning. Mr. J. A. Sheehy prosecuted. Mr. D. Casey (instructed by Mr. J. J. O'Connor) appeared for 22 of the men; Mr. L. L. Draney (instructed by Mr. D. T. Miller) for seven, and (by Mr. K. H. Mitchell) for eight. Mr. Rex King (instructed by Mr. K. H. Mitchell) appeared for Cavey. – *The Courier-Mail, Brisbane, Qld. 1933-1954, Thursday 12 October 1939, page 7.*

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### **Treasurers Evidence at Caucus Raid Trial**

'I have sung The Red Flag,' said the State Treasurer, Frank Arthur. Cooper, when giving evidence yesterday at the trial of the 38 men charged with unlawful assembly in the Parliament House Caucus raid on August 4.

Mr. Cooper added that he sang the song because on occasions he thought it was good to sing it, and because it was a stirring song. He made the statements in reply to questions put to him by Mr. Casey in cross-examination. Answering the Crown Prosecutor (Mr. J. A. Sheehy), Mr. Cooper said that he represented Bremer in the Legislative Assembly. He attended a Caucus meeting in the old Legislative Council Chamber on August 4. The Premier (Mr. Forgan Smith) presided. A number of men entered the Chamber while the meeting was in progress. He noticed that they were wearing numbered buttons and ribbons in their coat lapels. Some of them went to the bar of the Chamber, and others into the Chamber. 'What is the meaning of this?' the Premier asked. McMartin, one of the accused, replied in quite a commanding tone, 'Keep your seats.' Moving toward them, the Premier exclaimed, 'Leave this to me.' Then, turning his head back, he added, 'Send for the police.'

#### **Batons Carried**

Practically all the men were carrying batons, said Mr. Cooper. He was afraid, because of the attitude of the men coming in, and the natural resentment, that at least a number of men might be laid out in the Chamber because of a clash; Replying to Mr. Casey, Mr. Cooper said that he had been a member of Parliament for more than 24 years. He had heard of the shearers' strike. He took something of an interest in it, and knew some men who had taken part in it. He could not say that he was ashamed of them. He did not blame the shearers for demonstrating; he himself had demonstrated, but not in that manner. He did not know that he had ever carried a red flag. Mr. Casey: Have you ever been ashamed of the red flag? Mr. Cooper: No, I have sung it. Mr. Casey: You know it is rather dangerous in certain quarters?— Not necessarily. You sang 'The Red Flag' purely for the purpose of demonstration?— Yes. It was not for the purpose of establishing Communism in Australia? — No. It was just a little demonstration - something to be spectacular?— Not necessarily. Then why did you sing 'The Red Flag'?— Because on occasions I thought it was good to sing it. Why was it good to sing it? — Because it is a stirring song. Just a little demonstration? — It was more than a demonstration — it was an earnest belief.

#### **Right To Demonstrate**

Mr. Cooper said that if men had an earnest belief they had the right in this country to demonstrate it within the liberty given them, and not beyond. He had a violent objection to men



demonstrating with batons. Mr. Casey: And the Premier held up these violent men on his own for 15 minutes before the police arrived? Mr. Cooper: Well, he did. Mr. Casey: Some of the bulwarks of the liberty of the subject is the law of evidence, for a start?— I should say so. You know the State Transport Act? Mr. Sheeny.-' I do not wish to interrupt my friend, but I would ask him to indicate how this evidence is relevant, or whether it is going to this witness' credit. The Chief Justice (Sir James Blair): It. is cross-examination. Mr. Casey: I think your Honour will permit me to carry on? His Honour: Yes. Mr. Casey: Were you a member of the House when the Elections Act was passed? Mr. Cooper: I have been in when it was amended. Mr. Casey : Was there a section put into the 1910 amendment destroying the orthodox and legal rules applicable to the admissibility of evidence?— Let me see the Act, and then I may be able to tell you. Mr. Casey: I will quote the section tomorrow. His Honour said that the Acts to which Mr. Casey had drawn attention had been passed in Parliament by a majority of those who had been elected by the people. That was constitutional law. The trial will be continued today. Mr. D. Casey (instructed by Mr. J. J. O'Connor) appeared for 22 of the men; Mr. L. L. Draney (instructed by Mr. D. T. Miller) for seven, and (by Mr. K. H. Mitchell) for eight; Mr. Rex King (instructed by Mr. K. H. Mitchell) appeared for E. J. V. Cavey. — *The Courier-Mail, Brisbane, Qld. 1933-1954, Friday 13 October 1939, page 9.*

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### **MINISTERS TESTIFY AT TRIAL OF 38 MEN No Evidence Called For Raid Case Defence**

MORE evidence was given yesterday by the State Treasurer, Frank Arthur Cooper, in the case of 38 men who have been charged with unlawful assembly in the Parliament House Caucus raid.

Evidence was given also by the Minister for Health and Home Affairs, Edward Michael Hanlon, who said that he marched in the Labour Day procession to celebrate the liberation of the working people from tyranny.

When the Crown case was closed, counsel for the defendants said that they would not call evidence. The trial will be continued on Monday. The Chief Justice (Sir James Blair) directed that some recreation should be provided for the jurors, who will be locked up over the week-end. Mr. Cooper, further cross-examined by Mr. Casey, said that private rights must go when they conflicted with community rights. He would not suggest throwing over Parliament and giving power to one particular man, even if he were the Governor of Queensland. Mr. Casey: Well you happened to be a member of a party which did that in 1938. In section 22 of the State Transport Act you have jettisoned all powers vested in Parliament and handed them over to the Governor in Council: Mr. Cooper: If Parliament does it, then it does it in a constitutional way. Mr. Casey: As long as Parliament does it, you can scrap Parliament and hand it over to the Governor in Council? — No. It is impossible to scrap Parliament. You were a party to the passage of the State Transport Act of 1938? — Parliament passed the measure.

### **Emergency Powers**

Mr. Casey read portion of section 22 which empowers the Governor-in-Council to declare the existence of a state of emergency for periods not exceeding three months, if the safety of the State is imperiled, and to govern by Order-in-Council. His Honour said that he did not want to interrupt unnecessarily, but he thought that this was absolutely immaterial. Mr. Cooper told Mr. Casey that he had certain ideals before he went into Parliament but he might have added and subtracted. Mr. Casey: Would you be opposed to the removal of all road and bridge tolls, without mentioning any 'particular bridge? — That matter is purely in the hands of Parliament. Would you be opposed to removing tolls from bridges and giving people who have not the necessary money the right to walk across the bridge?— I would be opposed to the abolition of certain tolls. Would you be opposed to them?— Yes. His Honour: Suppose he agreed with every plank in that leaflet, what good is it to you? Mr. Casey: I cannot see how he

can disagree. His Honour: What has that got to do with an unlawful assembly? Mr. Casey: The jury might have an entirely different view. His Honour: The jury has the final word, but I have a little to say, you know, while it goes on. I may tell you as far as I have examined that leaflet, that I see nothing objectionable in it.

The Crown Prosecutor (Mr. J. A. Sheeny) said that he understood that it had been suggested on Thursday that Mr. Cooper was using the red flag as a kind of emblem to indicate that he (Mr. Cooper) was opposed to constitutionalism. Mr. Casey: There was no such suggestion. His Honour: That is disclaimed now.

### **Mr. Hanlon's Evidence**

Mr. Hanlon said that he attended the Caucus meeting in the old Legislative Council on August 4. He heard the Premier (Mr. Forgan Smith) call out, 'What is the meaning of this intrusion?' Mr. Hanlon looked round, and saw a group of men filing through the swing doors into the Chamber. He thought there would be a fight, as members of the party should not submit to force. He telephoned to the Commissioner of Police. Mr. Hanlon told Mr. Casey that he had been associated with the Labour Party for many years, and he had marched in processions with the permission of the authorities. Mr. Casey: You march in the Labour Day procession? Mr. Hanlon: Certainly. Mr. Casey: Why do you march there? —To celebrate the liberation of the working people 'from. tyranny. ; It would not be just a question of propaganda to attract notice?— Propaganda does enter into It. You did do things to attract notice? —Yes, I did that as a grocer when I advertised displays before I entered Parliament. The situation at Parliament House on August 4 was very serious, added Mr. Hanlon. He feared that there would be a brawl, and he did not wish to be attacked with a baton. Mr. Draney : The Premier did not show any fear, Mr. Hanlon: He generally does not show any fear. The last Crown witness was Inspector Alfred Jessen, officer in charge of the C.I. Branch. Mr. Rex King was addressing the jury when the Court adjourned. — *The Courier-Mail, Brisbane, Qld. 1933-1954, Saturday 14 October 1939, page 7.*

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### **Judge's Summing Up In Raid Case 'BATONS AND WIRE REAL EVIDENCE'**

Summing up yesterday in the case in which 38 men are charged with unlawful assembly at Parliament House on August 4, the Chief Justice (Sir James Blair) said that it required at least three men to provide the unlawful assembly. The batons, barbed wire, staples, and hammers, and the statements made by the various witnesses formed the real evidence in this case.

The Crown had preferred a simple charge against the men, and the jury was concerned with that alone. Sympathy had no place in the case. The jury had simply to judge the evidence coldly, critically, and analytically, and to the best of its ability. The jury must keep in mind that in the administration of justice it must see that no innocent man was convicted, and that no guilty man escaped. It had been asked where could there be fear for the messengers at Parliament House. It was ridiculous to imagine anything else, but the issue was for the jury. Counsel had said that the jury did not know the men, and had remarked on what a dreadful thing it would be to convict people it did not know, the Chief Justice said. He did not know how the jury might view that, but they must face the facts. They knew that the accused were arraigned in the City Hall last Monday, and every one of them pleaded not guilty to the offence charged. They had evidence from the police that 37 men were identified in No. 1 Committee room, and gave their names and addresses. The indictment alleged that the men had assembled in such a manner as to cause the King's subjects in the neighbourhood to fear, on reasonable grounds, that they would tumultuously disturb the peace. The word 'tumultuous.' said his Honour, had various phases of meaning.

The incident in the case was a lesser phase, but none the less capable of being designated tumultuous. The Chief Justice explained that the Constitution provided that Parliament should have power to make laws for the welfare and good government of the citizens.

### **Principal Rights**

Under the Constitution there were three principal rights—personal security, personal liberty, and personal property. Did the jury think that, if the accused had succeeded and had had a sit-down strike, and had compelled the members of Caucus to remain there until released, that would have been undue restraint on the liberty of those members? People might regard some laws as harsh. No matter how harsh a law was it was unlawful for anyone to seek to alter it by force or unlawful assembly. That was not the way to alter laws under the Constitution.

Addressing the jury Mr. Rex King (for Cavey) said that there were gaps in the Crown case. Indeed the evidence was not sufficient to raise a prima facie case against his client. Father Cavey served as a soldier in the last war and he was wounded in that war. Those were facts the jury should bring to bear on the evidence laid before it. Father Cavey had used no arm band, badge, or baton, Mr. King remarked. There was no evidence that he knew of any proposal to use barbed-wire or batons at Parliament House. Father Cavey did not agree with any display of force. The jury should return him to his flock to carry on his religious work. Mr. Draney (for 15 men) stressed that no one was hurt at Parliament House on August 4, yet the jury was asked to believe that the men were going tumultuously to breach the peace. There were no grounds for such fear. The men went to Parliament House purely as an unannounced deputation to Caucus, because their requests for a deputation had been repeatedly refused by politicians. They got a hearing with out any violence, and the Premier spoke to them for 12 or 15 minutes. Excepting Father Cavey no evidence was given by the Crown to identify the accused men.

### **Spectacular Insignia**

Mr. Casey (for 22 men) told the jury that the batons were carried merely as the insignia of some movement. Every political movement had something spectacular about it. The men in the dock had not been identified. If the jury could return a verdict of guilty against men they did not know that would be rather a serious stretch of conscience. 'Men have been herded into that box like cattle.' Mr. Casey exclaimed. 'The Crown asks for a verdict of guilty against them, and the jury does not even know them. It is rather unfair to suggest that men with grievances cannot approach Parliament, or those in charge of civic life, to state their case. If that is so then I think we have lost the principles of democracy and are submitting ourselves to a dictatorship. Can the jury think that these men went to Parliament House tumultuously to overthrow the Government of the country, or purely for the purpose of putting before the Premier something that he

refused to hear from them in the ordinary manner of a deputation. That is the whole question.'

Mr. J. A. Sheehy prosecuted: Mr. D. Casey was instructed by Mr. J. J. O'Connor, Mr. L. L. Draney by 'Mr. D. T. Miller and Mr. K. H. Mitchell, and Mr. Rex King by Mr. K. H. Mitchell.

*The Courier-Mail, Brisbane, Qld. 1933-1954, Tuesday 17 October 1939, page 6.*

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### **38 MEN FREED AFTER CAUCUS RAID TRIAL Proceedings Cost £1200**

Thirty-eight times the foreman of the jury said not guilty in the Criminal Court yesterday in the case of the men who were charged with unlawful assembly in the Parliament House Caucus raid on August 4. It took five minutes to record the verdict.

The proceedings lasted nine days, and cost the country more than £1200.

The close was as impressive as the opening of the trial. None of the men showed any sign of elation when the Chief Justice (Sir James Blair) turned to them and said, 'You are discharged.' They rose quietly, looked for their hats, and left the improvised dock. Then they shook hands with the counsel and solicitors who had defended them, and exchanged greetings with friends. 'Justice will prevail,' some one exclaimed. More people waited to congratulate the acquitted men outside the Court House.

### **'Censure On Government'**

'We regard the verdict as a vindication of our aims, and a vote of censure on the Government,' said the Rev. Father E. J. V. Cavey, after his acquittal. The League of Social Justice would carry on, he added, but that did not mean there would be another demonstration. He considered another demonstration unlikely, but members of the league had put their hands to the plough, and would continue with their work. 'My country has not deserted me in my trouble,' said Mr. Hugh McMartin, commenting on the verdict. 'In gaol we were treated with the greatest courtesy and consideration. Jurymen were in the charge of the Chief Bailiff for eight days, and in the last stage of their work were confined to their room in the Court House for 20 hours. They reached agreement at 7 a.m. yesterday. Blankets, and mattresses brought from a city hotel were put into the jury room on Monday night. Some jurymen slept on the floor and others on the verandah. Barbed-wire, batons, buttons, and ribbon were among the 124 exhibits in the case. After the Court adjourned the paraphernalia lay about the associate's desk. Coils of wire were covered with brown paper and batons were piled on top of them. The white arm bands mentioned in the proceedings were neatly sewn, and strips of blue, red, and green ribbon were worked into them. The jury was locked up for 20 hours before it reached the verdict, which was announced in a crowded Court at 10.30 a.m. *The Courier-Mail, Brisbane, Qld. 1933-1954, Wednesday 18 October 1939, page 8.*

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## **37 Charged After Raid on Labour Party Caucus**

**Parliament House, Queensland: 4 August 1939**

### **Follow-up**

The purpose of the 'Raid' by advocates of the Douglas Social Credit concept, within which monetary reform is but a part, was the propagation of an alternative to the Private Banking Trust's monopoly of credit. Private banking interests create credit as loans to individuals, businesses and governments which has driven entire states to ruin through accumulated debt. (And for) money [credit] to be created for a legitimate purpose; as mere tokens for the exchange of goods and

services, debt-free. Money is properly an agent of distribution; a social instrument entitling the bearer to goods and services. It is not a commodity and should not be treated as such.

"Social Credit is the wealth of society, comprising natural resources, labour, capital goods and equipment, and the skills and knowledge of how to use those resources. Social credit is the real wealth of the community, but is currently controlled by private banking interests. Since the 1920s

the popular Social Credit movement has sought to create local economic democracy through promoting study and research into how the money system works. The concept of economic democracy is fundamental to social credit economics. Political democracy, the right to vote, is weakened by the absence of economic democracy, the right to income security for all, independent of a private or state employer" Frances Hutchinson *"What is Social Credit? Some Questions Answered". p.4*

Social credit is a study of economics and the social order which will enable you to explain why the words quoted below are farcical. The words are spoken by an orthodox economist seeking to persuade a potentially rebellious population that there is no viable alternative to global corporatism:

*"Suppose a party of people were wrecked on a desert island, what do you think would be the first thing they'd do? Obviously they would look around for a man with money to employ them in gathering fruit. If there were no capitalist among them, or if he didn't see his way to make a profit out of the business, they would all remain unemployed and starve to death, no matter how fertile the island might be..." Frances Hutchinson...(Eimar O'Duffy, Asses in Clover, Jon Carpenter Publishing 2003, p 246-7)*

Our Real Wealth and Real Credit is our Natural Resources and Productive Capacity. What is physically possible is financially possible. Real costs are physical costs. Financial (accounting) costs should reflect physical costs.

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Ownership of the real credit of the community is the great issue that must be solved in Australia. Our financial credit should be a reflection of its real credit.

The people represent all the facets of a modern community – production, consumption, manufacturing, exporting, importing, retailing, transport, the food supply, education, cultural activities, health services, social services, entertainment, and a thousand other activities go to make a community. All these factors make up the real credit of the nation.

Real credit may be defined as the faith or belief (i.e. Latin credo-I believe) that a free community has the knowledge, energy and capacity to cooperate in satisfying its needs. This is its power in association, and the end product is the sum total of the communities real credit.

We see, therefore, that the real credit of a nation is created by the people through their abundant and many-sided energies – what economic textbooks refer to as 'the increment of association'.

Now, the financial credit of a nation should be a reasonably correct reflection of its real credit. Since money is merely a convenient token system to enable the people to purchase goods and services, it should be issued at the same rate that goods and services are produced, neither more nor less.

Since the community creates all the real credit, the ownership of the financial credit which should reflect the real credit – goods and services – also belongs to the people. But it does not. It belongs to the banks. Or, rather, it has been appropriated by the bank.

Ownership of the real credit of the community is the great issue that must be solved in Australia. Our financial credit should be a reflection of its real credit.

*The Money Trick. pp 14-15*

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When the Great Depression hit there was enough independent minded thinkers about to examine the flaws of the financial system and propose solutions, and enough desperate people to want to seek out and understand the

answers and then to demand their implementation. Not so today where mass apathy and ignorance reign, and our political leaders and their advisors and media tell the common people that the world is now much too 'complex' to return to 'simple solutions' Yet the financial system today is the same as it was when its parasitic nature caused the Great Depression.

Congressman Louis T. McFadden who for ten years served as the Chairman of the Congressional Banking and Currency Committee, and had been a banker himself, was particularly active in exposing the nature of the Federal Reserve System and the operations of the debt-finance system in speeches before Congress. In 1932 McFadden stated in the House:

*"Chairman, we have in this country one of the most corrupt institutions the world has ever known, I refer to the Federal Reserve Board and the Federal Reserve Banks, hereafter called the Fed. The Fed has cheated the Government of these United States and the people of the United States out of enough money to pay the Nation's debt. The depredations and iniquities of the Fed has cost enough money to pay the National Debt several times over. This evil institution has impoverished and ruined the people of the United States, has bankrupted itself, and has practically bankrupted our Government. It has done this through the defects of the law under which it operates, through maladministration of the law by the Fed and through the corrupt practices of the moneyed vultures who control it.*

*Some people think that the Federal Reserve Banks are United States Government institutions but they are private monopolies which prey upon the people of these United States for the benefit of themselves and their foreign customers; foreign and domestic speculators and swindlers; and rich and predatory money lenders. In that dark crew of financial pirates there are those who would cut a man's throat to get a dollar out of his pocket; there are those who send money into states to buy votes to control our legislatures; there are those who maintain International propaganda for the purpose of deceiving us into granting of new concessions which will permit them to cover up their past miss-deeds and set again in motion their gigantic train of crime".*

McFadden reminded Congress that the Federal Reserve Bank had been inaugurated by the introduction in 1913 of the Reserve Act by Nelson Aldrich and the Act had been drafted by Paul Warburg of Kuhn, Loeb and Co. McFadden held the Great Depression to be the responsibility of the Federal Reserve, which is not a 'state bank' owned by the people but was owned by private shareholders, and still is. The Great Depression was caused when the Federal Reserve recalled its loans from the network of 12 provincial Federal Reserve Banks via which the entire US banking system operated; the ordinary bank customer was obliged to repay hid debt of face foreclosure. Mc Fadden said of the system:

*"Meanwhile and on account of it, we ourselves are in the midst of the greatest depression we have ever known. From the Atlantic to the Pacific, our country has been ravaged and laid waste by the evil practice of the Fed and the interests which control them. At no time in our history, has the general welfare of the people been at a lower level and the minds of the people so full of despair".*

The power of the Federal Reserve, i.e. the private bankers who own, and continue to own the bonds, was explained by McFadden:

"...in defiance of this and other warnings the proponents of the Fed created 12 private credit corporations and gave them an absolute monopoly of the currency of these United States; not of the Fed notes but of all other currency".  
 Louis T. McFadden. *US Congressional Record*. 10 June 1932. Dr. Kerry Bolton, *The Banking Swindle* 2013. pp 47-50.

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It is the parasitic nature of the debt-finance banking system that causes the criminal phenomenon of 'poverty amidst plenty'. This was dramatically illustrated in the Western world within living memory during the Great Depression. People did not suddenly become lazy and refuse to work, to produce, to grow crops or raise livestock. Yet because of the lack of purchasing power – money and credit – caused by the trading banks having to recall their loans due to the dictates of the New York Federal Reserve Bank there was not sufficient purchasing power to consume production. The most graphic example of this was the state imposed demand that farmers destroy their crops and livestock, while masses of people were starving, because the purchasing power was not available to buy the produce. In short, people starved, while food was destroyed. Farmers took their families and simply walked away from their land because they could not afford to pay the interest on their mortgages to the banks.

Another infamous example is the 'Irish Potato Famine' of the 19<sup>th</sup> Century. It was not the result of over-population, as was claimed at that time in some quarters – nor even due to food shortages, since it was only the potato crop that failed. Mass Starvation resulted in over a million deaths in a country of about 6,000,000. In 1885 Ireland exported 779 thousand quarters of wheat and flower, 93,000 quarters of barley and 2,353,000 quarters of oats; enough to feed for a year every person who died of starvation, four times over. The money lenders took precedence over feeding people.

This system of banking is no less brutal than the mass starvation that was caused in the Ukraine that was caused by the confiscation of grain.

Kelliher commented: When the true history of Ireland is written it will be found that all that stood between starvation and the available plenty, was the crushing interest burden that had to be paid to outside money-lenders, that the country was not suffering from famine, but what we choose to call 'depression'. A famine is the absence of food caused by the lack of food; a depression is the absence of food caused by the lack of food, caused by a deficiency in the medium of exchange – money. (*Henry K Kelliher. "New Zealand at the Cross-Roads. Auckland. New Zealand. 1936)*

The CAUSE of the financial crisis of the 1920s, and 1930s (which were a wakeup call to all classes of people from both Left and Right political persuasions) remains with us today. The major difference is that most people do not have the perception and independence of thought processes of their grandparents' generation and even want to understand the problems of banking and credit. They have succumbed to the myth that it is something only understood by the wizardry of economic 'experts'. Yet what holds for the 1920s and 1930s in regard to financial crises holds equally true today. *The Banking Swindle* pp. 49-51

(This last point is well exemplified by the cross-section of the community that participated in the 'Raid').

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The terms 'the banking system', 'the banks', or 'banks of issue' are used to refer to trading banks whether Government run or commercial undertakings. None of these terms refer to Savings Banks.

### Some Facts

Every bank loan or overdraft is a creation of money (Credit) and is a clear addition to the amount of money in the community. No depositor's money is used when the banks lend money. When a bank lends money it creates it out of nothing. Bank loans are merely pen-and-ink entries – now superseded by computers – in the credit column of a bank's ledger. They have no other existence. Practically all the money in the community comes into circulation as an interest bearing debt to the banks. The banks enjoy this unique facility of creating credit and putting the nation into progressively into debt-bondage because they create FINANCIAL credit against the REAL credit created by the people. Our debt is largely owned by the banks – if not directly, then as security loans. Every repayment of a bank loan cancels the amount of the loan out of existence. Treasury Notes are government I.O.U.s. – National pawn tickets for pledging the assets of Australia to the banks for the loan of OUR OWN financial credit.

The entire confidence trick of the banks is based on the perpetuation of the claim that bank profits are governed by the difference between the interest paid on fixed deposits and the interest charged to borrowers. It enables them to pull the proverbial wool over the eyes of the public by claiming that they make no more profit than any other commercial undertaking. But profit loses all meaning when a group of financial institutions enjoys the privilege of being able to create out of nothing the nation's monetary requirements. Their assets growth needs to be considered also.

There are numerous statements by authorities on how the banking system CREATES the bulk of a nation's money supply in the form of credit made available when loans are granted to individuals, industry and governments. Bank loans bearing interest are created out of nothing and are mere pen and ink entries in the credit columns of a bank's ledger. Every repayment of a bank loan cancels the amount of the loan out of existence. Practically all money in the community comes into circulation as a debt to the banks. Banks enjoy this unique facility of creating credit and putting the nation progressively into debt-bondage because they create financial credit against the real credit created by the people. All that a bank does in lending is write a figure in the borrower's bank account and enter it in the Ledger. When the account is drawn on by cheque or card, and the money is lodged at the same or another bank, a 'deposit' is thus created and the supply of money increased. Thus, bank loans create 'deposits', which are not the source of loan money but, rather, the other way around: they are the outcome of loans. *The Money Trick*

"The Study of money, above all other fields in economics, is one in which complexity is used to disguise truth or to evade truth, not to reveal it. The process by which banks create money is so simple the mind is repelled. With something so important, a deeper mystery seems only decent". *Dr John Kenneth Galbraith, American Economist and Presidential Advisor. "Money: Whence it Came, Where it Went". (1975)*

Sir Reginald McKenna, a Chancellor of the British Exchequer and Chairman of the Midland Bank, gave an historic address to shareholders of the Bank on 25<sup>th</sup> January 1924 (and it is recorded in his book "Post-war Banking") in which he frankly stated:

*"I am afraid the ordinary citizen will not like to be told that the banks can, and do, create and destroy money. The amount of money in existence varies only with the action of the banks in increasing or decreasing deposits and bank purchases. We know how this is effected. Every loan, overdraft or bank purchase creates a deposit, and every repayment of a loan, overdraft or bank sale destroys a deposit..... And they who control the credit of the nation direct the policy of Governments and hold in the hollow of their hand the destiny of the people".*

The Conservative Member of the British Parliament, Captain Henry Kirby who in the postwar years was among the most determined opponents of usury, moved before Parliament in 19664:

*"The continued issue of all the means of exchange – be they coin, bank notes, or credit largely passed on by cheque – by private firms as an interest bearing debt against the public should cease forthwith: that the Sovereign power and duty of issuing money should be returned to the Crown, then be put into circulation free of all debt and interest obligations, as a public service, not as a private opportunity for profit and control for no tangible returns to the British people...so as to assure the State and Nation the benefits of that emission and relieve them of the immense and growing burdens of a parasitical National and private debt: and to make certain that control passes to the taxed and is taken out of the hands of the present hidden unlawful beneficiaries of taxation...this House calls upon Her Majesty's Government to introduce the required legislation...to assure unprecedented prosperity with true sovereignty and liberty." (Captain Henry Kirby, MP. House of Commons, 22<sup>nd</sup> December 1964)*

The Encyclopaedia Britannica, 14<sup>th</sup> edition, under the heading "Banking and credit" (Vol. 3. p. 48):

*"Banks create credit ... It is a mistake to suppose that bank credit is created to any extent by the payment of money into the banks. The bank's debt is a means of payment, it is credit-money. It is a clear addition to the means of payment in the community".*

Mr R. G. Hawtrey, previously Assistant Under-Secretary of the British Treasury, in his 'Trade depression and the way out' says:

*"When a bank lends it creates money out of nothing".*

In his book "The art of Central Banking" Hawtry also wrote:

*"When a bank lends it creates credit. Against the advances which it enters among its assets, there is a deposit which it enters in its liabilities. But other lenders have not this mystical power of creating the means of payment out of nothing. What they lend must be money that they have acquired through their economic activities"*

Maynard Keynes, famous economist and one-time Board member of the Bank of England, stated: *"There can be no doubt that all deposits are created by the banks."*

Professor Soddy, eminent physicist of Oxford University, wrote:

*"Is it possible in these days of disbelief in physics miracles really do caricature institutions which pretend to lend money, and do not lend it, but create it? And when it is repaid them, de-create it? And who have achieved the physically impossible miracle thereby, not only of getting something for nothing. But also of getting perennial interest from it?"*

Professor H. Kniffer, in "American Banking Practice" also testifies to this fact.

*"The percentage of cash to credit necessary for a bank to hold, demonstrates over a period of years, is 2.5%, with 7.5% as a reserve with other banks." (This approximates to the practice in Australia where the trading banks hold a*

*small percentage of cash for legal tender purposes, with a further deposit at the Reserve Bank of Australia),*

The July 1938 issue of "Branch Banking", an English banker's periodical, stated:

*"There is no more unprofitable subject under the sun than to argue any banking or credit points, since there are enough substantial quotations in existence to prove to the initiated that banks do create credit without restraint."*

There is just one restraint. 'Sound banking practice' limits the creation to nine or ten times the amount of cash or legal tender which a bank holds. This is increasing all the time as communities turn from cash to card transactions.

From Chamber's Encyclopaedia (1950, Vol. 2, page 99) under the heading of 'Banking and Credit':

*"It is a fact that bank deposits are used as money, which provides the basis where the value of the loan is credited to the customer's account or, if a different practice is followed, where one customer's overdraft becomes another customer's deposit."*

Davenport's "Economics of Enterprise" states:

*"Banks do not lend deposits, but by extension of credits, create deposits."*

The late Sir Edward Holden, an eminent British banker, said:

*"Banking is little more than book keeping. It is a transfer of credit from one person to another. The transfer is by cheque. Cheques are currency (not legal tender). Currency is money."*

In his "Elements of Banking" H.D. McCleod state:

*"When it is said that a great London Joint Stock Bank has perhaps \$50,000,000 of deposits, it is almost universally believed that it had \$50,000,000 of actual money to 'lend out' as it is erroneously called. It is a complete and entire delusion. These 'deposits' are not deposits in cash at all ... they are nothing but an enormous superstructure of credit."*

Hartley Withers, in his book "International Finance" said:

*"...A credit in the Bank of England's books is regarded by the financial community as "cash" and this pleasant fiction has given the Bank the power of creating cash by the stroke of a pen and to any extent that it pleases, subject only to its view as to what is prudent and sound business." (Page 31) "It may sometimes happen that the borrowers may require the use of actual currency, and in that case part of the advance made will be taken out in the form of notes, but as a general rule the Bank is able to perform its function of providing emergency credit by merely making entries in its books." (Page 32)*

Professor H.W. Arndt, former Professor of Economics at the National University, Canberra, writing on banking in "The New International Illustrated Encyclopaedia" (Vol. 1, page 321) said:

*"The other important function which is exclusive to the banking system is to create the community's money supply, and to administer the monetary system. The two functions are intimately connected since modern money is created by banks in the process of granting credit." (Note: To create means to produce out of nothing)*

A good legal definition of banking was provided by the Judicial Committee of the Privy Council in the Bank Nationalisation Case (Commonwealth Law Reports, 1947, Vol. 79 pp 632-633...

*"The business of banking consisting of the creation and transfer of credit, and making of loans, the purchase and disposal of investments and other kindred activities, is part*

*of the trade, commerce and intercourse of a modern society..."*

H.W. Arndt and C.P. Harris, in their textbook "The Australian Trading Banks", clarify this further in a special appendix, "The Creation of Money".

*"...The process of creation of money by banks is still continuously described as involving the 'deposit of money by customers with banks' which can then 'lend out more money than they have' because some of the money they have lent out 'comes back to them as deposits'. Nowadays it is a mischievously misleading description. It is misleading because it wrongly suggests:*

*(a) That notes and coins are, but deposits are not, money*

*(b) That banks merely borrow and lend money created by someone else, and*

*(c) That deposits come into existence primarily through bank customers paying in notes and coins, and only secondarily through bank lending..."*

Former governor of the Reserve Bank Dr H.C Coombs stated at the University of Queensland on 15 September 1954...

*"Any given piece of expenditure can be financed from one of four sources (or a combination of these sources)....1 new savings....2 accumulated reserves....3 money borrowed, other than from a bank....4 money borrowed from a bank. The last source differs from the first three because when money is lent by a bank it passes into the hands of the person who borrows it without anybody having less. Whenever a bank lends money there is, therefore, an increase in the total amount of money that is available..."*

In a most important Special Article 'Sources of Money' in the "Bank of New South Wales Review", October 1978. The bank is now Westpac. Quote:

*"... Today in Australia, as in most other modern economies, all money is a debt of the banking system... Another important source of money creation is by banks.*

*"When a banker grants a customer credit by overdraft, the bank 'opens an account' in its books and gives the client the right to draw funds without first having to put money into the account. But bank deposits only increase when the customer actually draws on the account to pay his creditors. In the case of loans, funds are deposited directly to the customer's credit and results in an immediate increase in the volume of money..."*

*"In either case the money supply increases as a result of the bank's lending activities. As long as the debt remains outstanding the community's quantity of money is increased..."*

The former Deputy Prime Minister and Treasurer of Australia, Dr. Jim Cairns, in his book "Oil on Troubled Waters (Widescope, 1976) wrote:

*"The power to create money and to decide who should get it is a vast and significant social and economic power, and for this reason, the Labour movement has always believed it should not be in privately owned hands but be exercised solely as a public or peoples' bank..."*

The Peoples' Bank (The Commonwealth Bank) originally founded by the Labour Party for this very purpose finally succumbed to a Labour Party that had surrendered to the Money Power was sold in the market place a decade later and today has significant foreign equity in its share portfolio.

Some of the most frank admissions on banking practice was given by Mr. Graham Towers, Governor of the Central Bank of Canada, before the Canadian Governments Committee on Banking and Commerce in 1939. The following extracts are

from the Minutes of Proceedings and Evidence Respecting the Bank of Canada, 1939. Bear in mind that the following statements made or agreed to by Mr. Towers are those of the Governor of the Government-owned Central Bank of Canada:

Q: *"But there is no question about it that banks create the means of exchange?"*

A: *"That is just what they are for...That is the Banking business, just in the same way a steel plant makes steel". (p.287). "The manufacturing process consists of making a pen-and-ink or typewritten entry on a card or in a book. That is all". (pp. 76, 238). "Each and every time a bank makes a loan, or purchases securities, new bank credit is created - new deposits - brand new money". (pp. 113, 238). "Broadly speaking, all new money comes out of a bank in the form of loans". (p.461). "As loans are debts, then under the present system all money is debt..." (p.459). Mr. Towers continued: "A government can find money in three ways; by taxation, or they might find it by borrowing the savings of the people, or they might find it by action which is allied with an expansive monetary policy, that is borrowing which creates additional money in the process". (p.29).*

Q: *"A bank can purchase a federal government bond by accepting from the government a bond for \$1,000 and giving the government a deposit for \$1,000?"* A: *"Yes".*

Q: *"What the government receives is a credit entry in the banker's book, showing the banker as a creditor to the government to the extent of \$1,000?"* A: *"Yes".*

Q: *"And in law all that the bank has to hold in the way of cash to issue that liability is 5%?"* A: *"Yes". (p.76).*

Q: *"95% of all our volume of business is being done with what we call exchange of bank deposits - that is simply bookkeeping entries in banks against which people write cheques?"*

A: *"I think that is a fair statement".*

Q: *"...the need of a currency gold reserve was today largely psychological so far as domestic currency was concerned?"*

A: *"As far as domestic currency was concerned, yes".*

Q: *"But if the issue of currency and money is a high prerogative of government, then that high prerogative has been transferred to the extent of 88% to the merchant banking system?"* A: *"Yes".*

Q: *"When a \$1,000,000 worth of bonds is presented by the government to the bank, a million dollars of new money or the equivalent is created?"* A: *"Yes".* Q: *"It is a fact that a million dollars of new money has been created?"* A: *"That is right". (p.238)*

Q: *"Now as a matter of fact, today our gold is purchased by the Bank of Canada with notes which it issues - not redeemable in gold - in effect using printing press money..., to purchase gold?"* A: *"That is the practice all over the world". (p.283)*

Q: *"When you allow the merchant banking system to issue bank deposits - with the practice of using cheques - you virtually allow the banks to issue an effective substitute for money, do you not?"* A: *"The bank deposits are actually money in that sense".*

Q: *"...as a matter of fact they are not actual money, but credits, bookkeeping accounts, which are used as a substitute for money".* A: *"Yes".*

Q: *"Then we authorize the banks to issue a substitute for money?"* A: *"Yes, I think that's a very fair statement".*

Q: *"Will you tell me why a government with power to create money should give that power away to a private monopoly and then borrow that which parliament can*

create itself, back at interest, to the point of national bankruptcy?"

A: "...we realise of course that the amount which is paid provides part of the operating costs of the banks and some interest on deposits. Now if parliament wants to change the form of operating the banking system, then certainly that is within the power of parliament". (p.394) "The banks cannot, of course loan the money of their depositors...453)

Q: "You have agreed that banks do create money?" A: "They by their actions in making loans and investments, create liabilities for themselves. They create liabilities in the form of deposits?"

Q; "You will agree with the statement that has been made that banks lend by creating the means of payment?" A: "Yes".

Q: "So that with the increase of 500million of bank deposits money, from 1934 to 1938, we have not had any inflationary result?" A: "We have not. The circumstances of the time have not encouraged it". (p.64)

**Q: "...So far as war is concerned to defend the integrity of the nation there will be no difficulty in raising the means financing whatever those requirements may be?"**

**A: "The limit of the possibilities depends on men and materials".**

**Q: "...And where you have an abundance of men and materials you have no difficulty, under our present banking system, in putting forward the medium of exchange that is necessary to put the men and materials to work to defend the nation?" A: "That is right".**

**Q: "Well, then, why is it, where we have a problem of internal deterioration, that we cannot use the same technique...In any event you will agree with me on this, that so long as the investment of public funds is confined to something that improves the economic life of the nation, that will not itself produce inflationary conditions".**

**A: "Yes, I agree with that, but I will make one further observation, that the investments thus made shall be at least as productive as some alternative uses to which the money would otherwise have been put". (p.649)**

**Q; "Would you admit that anything physically possible and desirable can be made financially possible?" A: "Certainly". The Money Trick. pp. 36-39**

The debt merchants foster another myth: that Australia must obtain 'foreign capital' in order to develop its vast resources. What really happens has been explained clearly by Queensland consulting economist H.W. Herbert:

"...Getting \$100 million from overseas expands the money supply in Australia by \$100 million. The Reserve Bank issues counterpart funds in new Australian dollars to match the overseas money (which stays in London or New York and adds to the Reserve Bank's international reserves). "Using overseas money is every bit as much 'printing money' as Government spending or enlarging the Budget Deficit or extending Trading Bank advances. The Prime Minister, Mr Fraser and his Ministers allow the Reserve Bank to introduce \$100million of new money to an Australian Company to do so..." (The Sunday Mail, Brisbane, July 1977) The Money Trick

The Australian economist, Professor A.G. Mackay in his textbook on "Economics", stated:

*"In this way, by means of a loan, an advance, an overdraft, or by cashing Bills, the banks are able to increase the volume of deposits in the community and because of this process it is not correct to say that a bank loans out deposits which people make with it. It is clear that it creates a deposit by the issue of the loan; the loan travels back to the bank and assumes the form of a deposit".*

Professor R.F Irvine, Professor of Economics at Sydney University early last century, introduced the study of bank credit and financial mechanism into the economics course. It was a very popular course, and students and professor often discussed the dangerous implications of a financial system that placed so vast a power in private hands for private profit. He lectured extensively in Sydney during the Depression.

The American writer, Garett Garret remarked about that tragic abstraction, bank credit, in his book The Bubble that Broke the World:

*"Of all the discoveries and inventions by which we live and die, this improbable helix of credit is the most cunning, the most liable, the least comprehended and, next too high explosives, the most dangerous....". The Money Trick p. 44*

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#### **The Questions Posed by Clifford Hugh Douglas in 1931 Are as Relevant Today.**

##### **In "The Monopoly of Credit" he asked:**

*"How is it possible for a world which is suffering from over-production to be in economic distress? Where does money come from? Why should we economize when we are making too many goods? How can an unemployment problem, together with a manufacturing and agricultural organization which cannot obtain orders, exist side by side with a poverty problem? Must we balance our budget? Why should we be asked to have confidence in our money system, if it works properly? It is hoped that answers to these and similar questions will be suggested by a perusal of the following pages. One of the first results of this awakening interest has been a demonstration of the distance which separates exact knowledge from popular understanding of the methods by which the ordinary necessities of life and the amenities of civilized existence are placed at the disposal of individuals in the modern world. If this ignorance were of a purely negative nature, the situation would be sufficiently disquieting. But unfortunately that is not the case.*

*Particularly in regard to finance, which may be termed the nerve system of distribution, most people hold, with some persistence, ideas which are both incorrect and misleading, and are supported in their disinclination to change these views by sectional interests of great potency and ability in the attainment of their own objectives, which superficially seem well served by the prevailing ignorance. No just appreciation of this situation is possible which does not take into consideration the peculiar, and perhaps unique, position occupied by finance in the organization of modern society in every country. Finance, i.e., money, is the starting point of every action which requires either the co-operation of the community or the use of its assets. If it be realized that control of its mechanism gives, to a major extent, control of both personal and organized activity, it is easy to see that education, publicity, and organized Intelligence (in the sense in which the word "Intelligence" is used in military circles) can be controlled, first to minimize the likelihood of criticism*



arising, and should it arise, depriving it of all the normal facilities for effective action.

Finance can, and does control policy, and as has been well said by an American writer, Charles Ferguson} "control of credit and control of the news are concentric."..."

"Machinery has largely taken the place of human labour in the production of wealth. The productive machine is a communal creation and the accumulated knowledge of centuries went to its making, and the wealth produced should be available to all. All living people ought to be tenants for life of this cultural inheritance. All should be shareholders, drawing a national dividend in the form of real credit, and that without affecting their relationship to specific undertakings from which wages and salaries might be drawn as well. In international finance the people are up against the greatest vested interest in the world, which had no concern with social betterment. It is a case of the public against the international financiers, and one of them must prevail. The financing of business could be done quite well by the banks as agents for the community".

Inflation will be eliminated only when national accounting makes it possible to sell products and services to the ultimate consumer at prices representative of their natural cost. *Finance and Natural Law p.30*

It is important to understand exactly what the correct definition of inflation is. True inflation is not an increase of money, but an increase of money accompanied by a rise of prices – thus robbing everyone of a portion of his wages. It is essential that a greater amount of purchasing power should not be accompanied by an increase of prices, but should be accompanied by a fall of prices. *Major Clifford Hugh Douglas*

#### **The Ever-Growing Disparity Between Financial Incomes and Prices**

**James Reed. On Target 17<sup>th</sup> February 2014**

From Wallace Klinck, Canada: I do not know who the writer of the article "Cumulative Effects of Resource Development" is, but he most certainly is correct in his analysis:

"People can go on debating these various social, economic and environmental issues, ad-nauseum and eternally, and the problems will only multiply, so long as we maintain a financial costing system that creates an ever-growing disparity between available financial incomes and ultimate financial prices. We are compelled under such circumstances both to become increasingly financially indebted by need for a growing mortgage on future production and incomes, but also, evermore subject to an inexorable pressure to produce increasingly so that we can generate financial incomes allowing us to access goods, physically paid for, and currently emanating, from the production line. Every advance in labour-saving technology, which beneficially increases physical efficiency and abundance of goods and services, simultaneously and destructively increases the capital/labour component ratio in financial cost, making us ever-more dependent upon expanding financial debt and wasteful production, the ultimate form being perpetual warfare.

There is no actual need for booms and busts bringing alternate "prosperity" and "depression". Prosperity should mean an abundance of real consumer wealth with falling financial prices, and an increasing opportunity for leisure - with growing economic security for all citizens. Under current circumstances, attempting to distribute all financial income through "employment" is both impossible and sheer folly. As a society, we should always be able to do anything physically and psychologically possible and desired, i.e., whatever is

physically possible should always be financially possible. The financial system is simply accountancy and we must provide an accurate system of accountancy which reflects, rather than controls, chosen human activity. Attempting to carry on, by means of accelerating financial debt and incomes derived from increasing waste, is hardly an intelligent way for a so-called "civilization" to conduct its affairs".

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Orthodox economists and those with vested interests in maintaining the financial status quo claim that any system other than that devised by them, which of necessity is based around debt finance – usury – is unworkable, crackpot, and inflationary, and can only end in disaster. This fiction can only be maintained by the widespread ignorance of history, in regard to the manner by which communities and entire states have been salvaged from ruin by innovative financial alternative, which we have been considering herein. While our parents and grandparents knew a lot more and widely discussed the banking system, there is little evidence of a present day awakening on economic realities despite the colossal debt that is catching up to most of the world.

During the Depression era, there was widespread demand for banking reform. This awareness was greatly assisted in the British Commonwealth states by the tour of Maj. C H Douglas, to replace the debt finance system, as we have seen. Such things are now forgotten history. Few realize that Guernsey Island saved itself from destitution in 1820 by issuing its own currency, which is still used, independently of British Sterling; that not only did Lincoln issue 'Greenbacks' during the Civil War, bypassing the debt finance system, but that the Confederacy also issued Graybacks as 'non-interest bearing money [which] remained the predominant medium of exchange, and that President John Kennedy did something similar with the issue of US Notes via the US Treasury, bypassing the Federal Reserve bank system. *The Banking Swindle pp 124-125.*

With few notable exceptions the Church has maintained silence on the subject of financial policy. The Anglican Primate of Australia, Archbishop Le Fanu who spoke out frequently and courageously during the Depression said in October 1935:

"Every man in the community is heir to all the inventions and scientific knowledge which have made this easier life possible, and yet the enhanced values and opportunities of life are not shared as they should be. Our present financial system is not doing its job. The fundamental Christian objection to the existing capitalist system and to the bankers' control of money, from which it seems inseparable, is that it holds persons in serfdom to the exigencies of financial policy". *The Money Trick. p. 45*

Pope Pius XI in the Encyclical *Quadragesimo Anno*, wrote:

"It is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few... This power becomes irresistible when exercised by those who, because they hold and control money, are able to govern credit and determine its allotment, for that reason supplying, so to speak the life blood to the entire economic body, and grasping, as it were, in their hands the very soul of production, so as no one dare breathe against their will". *The Money Trick. pl.45*

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#### **The US Federal Reserve System**

At the end of November 1910, [Senator Nelson W. Aldrich](#) and Assistant Secretary of the [U.S. Treasury Department, A. Piatt Andrew](#), and five of the country's leading financiers ([Frank](#)

[Vanderlip](#), [Henry P. Davison](#), [Charles D. Norton](#), [Benjamin Strong](#), and [Paul Warburg](#)) arrived at the [Jekyll Island Club, Georgia](#), to discuss monetary policy and the banking system, an event that led to the creation of the current, privately owned Federal Reserve. According to the [Federal Reserve Bank of Atlanta](#), the 1910 Jekyll Island meeting resulted in draft legislation for the creation of a U.S. [central bank](#). Parts of this draft (the Aldrich plan) were incorporated into the 1913 Federal Reserve Act. On November 5-6, 2010, Ben Bernanke stayed on Jekyll Island to commemorate the 100-year anniversary of this original meeting. The Conference was the first official confirmation of the revelations made initially in 1949 by [Ezra Pound](#) to [Eustace Mullins](#) in his work "Secrets of The Federal Reserve" and later reported by [G. Edward Griffin](#) in his book "[The Creature from Jekyll Island](#)" [Dr. Kerry Bolton](#) [The Money Swindle 2013](#)

In November 1910, [Senator Nelson W. Aldrich](#) and Assistant Secretary of the [U.S. Treasury Department](#) and Special Assistant to the National Monetary Commission (the only other NMC member besides Aldrich) [A. Piatt Andrew](#), and five of the country's leading financiers, [Henry P. Davison](#), [Charles D. Norton](#), [Benjamin Strong](#), [Frank Vanderlip](#), and [Paul Warburg](#) of Kuhn, Loeb and Co. met in secret on [Jekyll Island](#) to discuss the banking system. This meeting led to the creation of the current, privately owned Federal Reserve.

(Jacob Schiff, senior partner of Kuhn, Loeb & Co. loaned Japan \$200 Million for its war against Russia of 1904-1905, helped fund the Bolshevik Revolution and enthusiastically welcomed it. Already, by 1920, capitalists were in the Soviet Union negotiating commercial concessions. A look beyond orthodoxy shows with ample documentation that socialism, from social democracy and fabianism to communism, has generally "operated in the interests of money". More on this below)

US Senator Nelson W Aldrich went to Europe opposed to centralized banking but, after viewing [Germany's](#) banking system, he came away believing that a centralized bank was better than the government-issued bond system that he had previously supported. Centralized banking was met with much opposition from politicians, who were suspicious of a central bank and who charged that Aldrich was biased due to his close ties to wealthy bankers such as [J.P. Morgan](#) and his daughter's marriage to [John D. Rockefeller, Jr.](#)

Financiers and executives representing the banks of J.P. Morgan, Rockefeller, and [Kuhn, Loeb & Co.](#), secluded themselves for ten days at [Jekyll Island](#). The executives included [Frank A. Vanderlip](#), president of the National City Bank of New York, associated with the Rockefellers; Henry P Davison, senior partner of J.P. Morgan Company; Charles D. Norton, president of the Morgan-dominated First National Bank of New York; Benjamin Strong, vice President of Banker's Trust New York and emissary for J. P. Morgan: Col. [Edward House](#), who would later become President Woodrow Wilson's closest adviser and founder of the [Council on Foreign Relations](#) and [Paul Warburg](#), a recent immigrant from a prominent [German](#) banking family who was a partner in the New York banking house of [Kuhn, Loeb & Co](#) directed the proceedings and wrote the primary features of what would be called the Aldrich Plan. Warburg would later write that "The matter of a uniform discount rate (interest rate) was discussed and settled at Jekyll Island." Vanderlip wrote in his 1935 autobiography: *From Farmboy to Financier*:

*"Despite my views about the value to society of greater publicity for the affairs of corporations, there was an occasion, near the close of 1910, when I was as secretive, indeed, as furtive as any conspirator. None of us who participated felt that we were conspirators; on the contrary we felt we were engaged in a patriotic work. We were trying to plan a mechanism that would correct the weaknesses of our banking system as revealed under the*

*strains and pressures of the panic of 1907. I do not feel it is any exaggeration to speak of our secret expedition to Jekyll Island as the occasion of the actual conception of what eventually became the Federal Reserve System. ... Discovery, we knew, simply must not happen, or else all our time and effort would be wasted. If it were to be exposed publicly that our particular group had gotten together and written a banking bill, that bill would have no chance whatever of passage by Congress. Yet, who was there in Congress who might have drafted a sound piece of legislation dealing with the purely banking problem with which we were concerned?"*

Benjamin Strong subsequently became the first [President of the Federal Reserve Bank of New York](#), October 1914-October 1928.

The founder of Forbes magazine [Bertie Charles Forbes](#) wrote several years later:

*"Picture a party of the nation's greatest bankers stealing out of New York on a private railroad car under cover of darkness, stealthily riding hundreds of miles South, embarking on a mysterious launch, sneaking onto an island deserted by all but a few servants, living there a full week under such rigid secrecy that the names of not one of them was once mentioned, lest the servants learn the identity and disclose to the world this strangest, most secret expedition in the history of American finance. I am not romancing; I am giving to the world, for the first time, the real story of how the famous Aldrich currency report, the foundation of our new currency system, was written... The utmost secrecy was enjoined upon all. The public must not glean a hint of what was to be done. Senator Aldrich notified each one to go quietly into a private car of which the railroad had received orders to draw up on an unfrequented platform. Off the party set. New York's ubiquitous reporters had been foiled... Nelson (Aldrich) had confided to Henry, Frank, Paul, and Piatt that he was to keep them locked up at Jekyll Island, out of the rest of the world, until they had evolved and compiled a scientific currency system for the United States, the real birth of the present Federal Reserve System, the plan done on Jekyll Island in the conference with Paul, Frank, and Henry... Warburg is the link that binds the Aldrich system and the present system together. He more than any one man has made the system possible as a working reality."*

The quasi-governmental term "The Federal Reserve System" was used to disguise the fact that it is owned by its private shareholders. The Act was passed by Congress despite the fact the US Constitution invests Congress alone with the authority to issue currency and does not authorize its delegation. President Woodrow Wilson signed the Act, as he had promised the banks he would, in 1913 granting this authority to a private bank despite the fact it required a Constitutional Amendment. Apparently unwilling to risk another questionable amendment, Congress passed the Federal Reserve Act over Christmas holiday 1913, while members of Congress opposed to the measure were at home.

President Wilson later regretted his decision:

*"I am a most unhappy man. I have unwittingly ruined my country. A great industrial nation is now controlled by its system of credit. We are no longer a government by free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and duress of a small group of dominant men." -- Woodrow Wilson 1919*

Rep Charles Lindberg, Snr, R-MN, the father of the famous aviator called the Federal Reserve Act: "The worst legislative crime of the ages."

Rep Louis T Mc' Fadden, R. Pennsylvania:

*"When the Federal Reserve Act was passed the people of these United States did not perceive that a world banking system was being set up here. A super-state controlled by international bankers and industrialists....Every effort has been made by the fed to conceal its power but the truth is – the Fed has usurped the government."*

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**Wall Street & the March 1917 Russian Revolution  
Kerry Bolton. October, 2013**

"There is no proletarian, not even a communist, movement that has not operated in the interests of money, in the directions indicated by money, and for the time permitted by money — and that without the idealists amongst its leaders having the slightest suspicion of the fact." Oswald Spengler.[1]

The "Russian Revolution" (sic) is heralded in both the popular imagination and by academe as a triumph of the people against Czarist tyranny, even if most concede that the utopian vision turned sour, at least with the eventual dictatorship of Stalin. However a look behind the multiple facades of history shows that the "Russian Revolution" was one of many upheavals that have served those who provide the funding. Few—whether laymen or supposed "experts"—ever seem to question as to where the money comes to finance these revolutions, and we are expected to believe that they are "spontaneous uprisings of the people against oppression," just as today we are still expected to believe that the so-called "colour revolutions" in the Ukraine, Georgia, Serbia, etc., are "spontaneous demonstrations." This essay examines the funding of the March 1917 Russian Revolution, the so-called First Revolution that served as an opening scene for the Bolsheviks, and concludes that there are forces at work behind the scenes, whose goals are far removed from the welfare of the masses.

March 2010 marks the ninety-third anniversary of the (First) Russian Revolution, which served as the prelude for the Bolshevik *coup* the following November, known as the "Bolshevik Revolution." A look beyond orthodoxy shows with ample documentation that socialism, from social democracy and *fabianism*[2] to communism, has generally "operated in the interests of money" as Spengler observed.

The Fabian historian and novelist H. G. Wells, when in Russia in 1920 observing the still precarious Bolshevik regime, commenting on how arch-capitalists were even then already going into the embryonic Soviet republic to negotiate commercial concessions[3], wrote:

... Big business is by no means antipathetic to Communism. The larger big business grows the more it approximates to Collectivism. It is the upper road of the few instead of the lower road of the masses to Collectivism.[4]

Big Business saw in socialism a means for both destroying the traditional foundations of nations and societies and as a control mechanism. In the case of Old Russia where a State based on monarchical and rural traditions was not amenable to being opened up for global business exploitation of its resources the scene was set for the upheavals of 1917 back in 1905 at the time of the Russo-Japanese War, which played a significant role in the formation of a Russian revolutionary cadre.[5] The funding for the formation of that cadre came from Jacob Schiff, senior partner of Kuhn, Loeb & Co., New York, who backed Japan in the war against Russia.[6]

The individual most responsible for turning American opinion, including government and diplomatic opinion, against Czarist Russia was the journalist George Kennan[7], who was sponsored by Schiff. In a collection of essays on American-Russian diplomacy, Cowley states that during the Russo-Japanese War of 1904-1905 Kennan was in Japan organising Russian POWs into 'revolutionary cells' and claimed to have converted "52,000 Russian soldiers into 'revolutionists'". Cowley also adds, significantly, "*Certainly such activity, well-financed by groups in the United States, contributed little to Russian-American solidarity.*"[8]

The source of the revolutionary funding "by groups in the United States" was explained by Kennan at a celebration of the March 1917 Russian Revolution, as reported as by the *New York Times*:

Mr. Kennan told of the work of the Friends of Russian Freedom in the revolution.

He said that during the Russian-Japanese war he was in Tokio, and that he was permitted to make visits among the 12,000 Russian prisoners in Japanese hands at the end of the first year of the war. He had conceived the idea of putting revolutionary propaganda into the hands of the Russian army.

The Japanese authorities favoured it and gave him permission. After which he sent to America for all the Russian revolutionary literature to be had . . .

"The movement was financed by a New York banker you all know and love," he said, referring to Mr Schiff, "and soon we received a ton and a half of Russian revolutionary propaganda. At the end of the war 50,000 Russian officers and men went back to their country ardent revolutionists. The Friends of Russian Freedom had sowed 50,000 seeds of liberty in 100 Russian regiments. I do not know how many of these officers and men were in the Petrograd fortress last week, but we do know what part the army took in the revolution."

Then was read a telegram from Jacob H. Schiff, part of which is as follows: "Will you say for me to those present at tonight's meeting how deeply I regret my inability to celebrate with the Friends of Russian Freedom the actual reward of what we had hoped and striven for these long years." [9]

The reaction to the Russian revolution by Schiff and indeed by bankers generally, in the USA and London, was one of jubilation. Schiff wrote enthusiastically to the *New York Times*: May I through your columns give expression to my joy that the Russian nation, a great and good people, have at last effected their deliverance from centuries of autocratic oppression and through an almost bloodless revolution have now come into their own. Praised be God on high! Jacob H. Schiff.[10]

Writing to *The Evening Post* in response to a question about revolutionary Russia's new status with world financial markets, Schiff replied as head of Kuhn, Loeb & Co.:

Replying to your request for my opinion of the effects of the revolution upon Russia's finances, I am quite convinced that with the certainty of the development of the country's enormous resources, which, with the shackles removed from a great people, will follow present events, Russia will before long take rank financially amongst the most favoured nations in the money markets of the world.[11]

Schiff's reply reflected the general attitude of London and New York financial circles at the time of the revolution. John B. Young of the National City Bank, who had been in Russia in 1916 in regard to a US loan stated in 1917 of the revolution that it has been discussed widely when he had been in Russia the previous year. He regarded those involved as "*solid, responsible and conservative.*"[12] In the same issue, the *New York Times* reported that there had been a rise in Russian exchange transactions in London 24 hours preceding the revolution, and that London had known of the revolution prior to New York. The article reported that most prominent financial and business leaders in London and New York had a positive view of the revolution.[13] Another report states that while there had been some disquiet about the revolution, "*this news was by no means unwelcome in more important banking circles.*"[14]

These bankers and industrialists are cited in these articles as regarding the revolution as being able to eliminate pro-German influents in the Russian government and as likely to pursue a more vigorous course against Germany. Yet such seemingly "patriotic sentiments" cannot be considered the motivation behind the plutocratic support for the revolution. While Max Warburg of the Warburg banking house in Germany, advised the Kaiser and while the German Government arranged for funding and safe passage of Lenin and his entourage from Switzerland across Germany to Russia; his brother Paul,[15] as associate of

Schiff's,[16] looked after the family interests in New York. The factor that was behind this banking support for the revolution whether from London, New York, Stockholm,[17] or Berlin, was that of the tremendous largely untapped resources that would become available to the world financial markets, which had hitherto been denied control under the Czar. It must be kept in mind that these banking dynasties were—and are—not merely national or local banks but are *international* and do not owe loyalty to any particular nation, unless that nation happens to be acting in their interests at a particular time. [18]

The Bolshevik Revolution of eight months later, despite the violent anti-capitalist rhetoric, was to open Russia's vast resources up to world capitalism, although with the advent of Stalin, not to the extent that the plutocrats had thought when the Lenin-Trotsky regime had held sway for several years.

#### Notes

This essay is based on parts of chapters in my book *Revolution From Above: Manufacturing "Dissent" in the New World Order* (London: Arktos, 2011). I hope to submit a similar essay on the funding of the November 1917 Russian Bolshevik Revolution for the October-November-December issue of *Ab Aeterno*.

[1] Oswald Spengler, *The Decline of The West*, 1918, 1926 (London: G. Allen & Unwin, 1971), vol. 2, p. 402.

[2] The Fabian Society features on its coat-of-arms a wolf in sheep's clothing. Prominent among the founding members were literati such as H. G. Wells and G. B. Shaw. The Fabians founded the London School of Economics and Political Science as a training academy for the future governing elite in a collectivist state. According to co-founder Beatrice Webb, funding for this came from Sir Ernest Cassel of Vickers armaments and Kuhn, Loeb & Co., New York; and the Rothschilds, et al. (K. R. Bolton, op.cit., "Revolution By Stealth").

[3] Washington A. Vanderlip was in Russia at the same time as Wells, negotiating commercial concessions with the Soviet regime—successfully.

[4] H. G. Wells, *Russia in the Shadows*, Chapter VII, "The Envoy." Wells went to Russia in September 1920 at the invitation of Kamenev, of the Russian Trade Delegation in London, one of the leaders of the Bolshevik regime. *Russia in the Shadows* appeared as a series of articles in *The Sunday Express*. The whole book can be read online at: [gutenberg.net.au/ebooks06/0602371h.html](http://gutenberg.net.au/ebooks06/0602371h.html) [2]

[5] The Russian monarchy and the Russian peasant were both considered historically passé by the Western financial establishment, in the same manner that in our own time the Afrikaner farming folk were considered passé and their system of apartheid hindered the globalisation of South Africa's economy. Like the March and November 1917 Russian Revolutions, the ostensibly "Black" revolution in South Africa eliminated the Afrikaner anachronism and under "socialism" has privatised the *parastatals* (state-owned utility companies) and privatised the economy.

[6] "Jacob Schiff," *Dictionary of American Biography*, Vol. XVI, p. 431. Schiff gave a loan of \$200,000,000 to the Japanese aggressors, for which he was decorated by the Japanese Emperor.

[7] Robert Cowley, "A Year in Hell," *America and Russia: A Century and a Half of Dramatic Encounters*, ed. Oliver Jensen (New York: Simon and Schuster, 1962), pp. 92-121. The introductory note to the chapter indicates the nature of Kennan's influence: "An American journalist, George Kennan, became the first to reveal the full horrors of Siberian exile and the brutal, studied inhumanity of Czarist 'justice'." Cowley quotes historian Thomas A. Bailey as stating of Kennan: "No one person did more to cause the people of the United States to turn against their presumed benefactor of yesteryear." (A reference to Czarist Russia's support for the Union during the American Civil War). Cowley, *ibid.*, p. 118.

[8] *Ibid.*, p. 120.

[9] *New York Times*, 24 March, 1917, pp. 1-2.

[10] Jacob H. Schiff, "Jacob H. Schiff Rejoices, By Telegraph to the Editor of the New York Times," *New York Times*, 18 March, 1917. This can be viewed in The New York Times online archives:

<http://query.nytimes.com/mem/archive-free/pdf?res=9802E4DD163AE532A2575BC1A9659C946696D6CF> [3] (accessed 12 January 2010).

[11] "Loans easier for Russia," *The New York Times*, 20 March 1917.

<http://query.nytimes.com/mem/archive-free/pdf?res=9B04EFDD143AE433A25753C2A9659C946696D6CF> [4] (accessed 12 January 2010).

[12] "Is A People's Revolution." *The New York Times*, 16 March 1917.

[13] "Bankers here pleased with news of revolution," *ibid.*

[14] "Stocks strong – Wall Street interpretation of Russian News," *ibid.*

[15] Paul Warburg, prior to emigrating to the USA, had been decorated by the Kaiser in 1912.

[16] Paul Warburg was also Schiff's brother-in-law.

[17] Olof Achberg of the Nye Banken, Stockholm was to serve as the conduit for funds between international banks and the Bolsheviks.

[18] For example, what national or prior imperial loyalties could a banking dynasty such as the Rothschilds owe, when they had family branches of the bank in London, Paris, Frankfurt, and Berlin? The same question applies to all such banks, and in our own time to the trans-national corporations.

URL to article:

<http://www.counter-currents.com/2013/10/wall-street-and-the-march-1917-russian-revolution/>

**See: *The Banking Swindle (pp 144-150) and Revolution from Above by Dr. Kerry Bolton***

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During the American Civil War Abraham Lincoln, in an attempt to circumvent the private banking system initially issued \$15,000,000 interest free 'Lincoln Greenbacks' directly through the US Treasury to fund the war. However such interest-free state credit was superseded by the National Banking Act 1863 which authorised the issue of interest bearing and compound interest Treasury Notes.

"I have two great enemies, the Southern Army in front of me and the financial institutions behind me. Of the two, the one in the rear is my greatest foe". This statements by Lincoln, and his statements upon the government's part in financing the nation, are confirmed by the Appleton Encyclopaedia (US) of 1862 (p.292). "The money kings wanted 24% to 36% interest for loans to our government to conduct the war. The monetary needs of increasing number of people advancing towards higher standards of living can, can and should be, met by the Government. Such needs can be served by issuing national currency and credit through the operation of a national banking system. The circulation of a medium of exchange issued and backed by the Government can be properly regulated. Government alone has the power to regulate the currency and the credit of the nation. The government should create, issue and circulate all the currency and credit needed to satisfy the spending power of the government and the buying power of consumers. The privilege of creating and issuing money is not only the supreme prerogative of government, it is the government's greatest creative opportunity. The financing of all government enterprises, and the maintenance of stable government and ordered progress, and the conduct of Treasury will become matters of practical administration. Money will cease to be the master and become the servant of humanity. Democracy will rise superior to the Money Power".

#### Graybacks and the Confederacy

Not so well known is the issue of Graybacks by the Confederate States, backed by cotton. The goodwill towards the Southern states that one might expect from monetary reformers has been clouded by the claim that the War of Secession was instigated by international bankers for the control of the USA, and specifically that it was the South that



was for this purpose backed by the Rothschilds and reformers often allude to Abraham Lincoln having issued state credit in the form of the 'Greenbacks', and therefore Lincoln has become something of an icon among those who advocate alternatives to the usurious financial system, seldom realised that the Confederacy issued its own 'Graybacks', and did not have any type of fellowship with international finance. The condemnation of the South often includes an anti-Semitic element, because the Confederate Secretary of State, Judah P Benjamin, was Jewish, and from there flights of fancy roam free, including the claim that Benjamin was a 'Rothschild agent' and even that he was a 'Rothschild relative'.

The 'Grayback' served the confederacy as the 'Greenback' served the Union, and perhaps more so, as the Confederacy was shut out of financial markets. It was a pragmatic move, and one that better served the Confederate States of America (CSA) by force of circumstance than going cap-in-hand to the international money-lenders. Hence, the 'Grayback' is an example of state credit used on a wide scale that allowed the functioning of an economy without recourse to usurious debt, and stands with other examples such the use of Reserve Bank state credit by the 1935 New Zealand Labour Government. Given the present widespread economic tumult caused by the compound interest intrinsic to the debt-finance system that controls much of the world, a consideration of alternative systems of banking and finance are of vital importance, but are now problems that are seldom understood by the 'Right'. This was not always the case...

*The Banking Swindle...pp.129-130*

In 1963 President John F Kennedy attempted to circumvent the private bankers by 'Executive Order 11110', which bypassed the Federal Reserve System and authorised US Treasury to issue \$4,000,000,000 of United States Notes: interest and debt free, used to fund new production, which were withdrawn from circulation at the rate of the consumption of production. *The Money Swindle*

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G. Edwards Griffin's 1994 book, *The Creature from Jekyll Island*, draws parallels between the Federal Reserve and a bird of prey, as suggested by the Great Seal of the United States on its cover.

Griffin enrolled in the College for Financial Planning in Denver, Colorado, and became a Certified Financial Planner in 1989.<sup>[26]</sup> He described the U.S. money system in his 1993 movie and 1994 book on the Federal Reserve System, *The Creature from Jekyll Island*.<sup>[1]</sup> This popular book<sup>[27][28]</sup> has been a business bestseller;<sup>[29][30]</sup> it has been reprinted in Japanese, 2005, and German, 2006. The book also influenced Ron Paul during the writing of a chapter on money and the Federal Reserve in Paul's *New York Times* number-one bestseller, *The Revolution: A Manifesto*, which recommended Griffin's book on its "Reading List for a Free and Prosperous America".<sup>[31]</sup>

The title refers to the November 1910 meeting at Jekyll Island, Georgia, of six bankers and economic policymakers, who represented the financial elite of the Western world.<sup>[32][33]</sup> The meeting was recounted by *Forbes* founder B. C. Forbes in 1916,<sup>[34]</sup> and recalled by participant Frank Vanderlip as "the actual conception of what eventually became the Federal Reserve System".<sup>[35]</sup> Griffin states that participant Paul Warburg describes the Jekyll Island meeting as "this most interesting conference concerning which Senator Aldrich pledged all participants to secrecy".<sup>[36]</sup>

Griffin's work stresses<sup>[37]</sup> the point which Federal Reserve chair Marriner Eccles made in Congressional testimony in 1941: "If there were no debts in our money system, there wouldn't be any money."<sup>[32]</sup> Griffin advocates against the debt-based fiat money system on several grounds, stating that it devours individual prosperity through inflation and it is used to perpetuate war. He also described a framework of central bankers underwriting both sides of an ongoing war or revolution.<sup>[38]</sup> Griffin says that the United Nations, the Council on Foreign Relations, and the World Bank are working to destroy American sovereignty through a system of world

military and financial control, and he advocates for United States withdrawal from the United Nations.<sup>[11][39]</sup>

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Governor Eccles, one-time head of the Federal Reserve Bank Board of the United States, said:

"*The Bank can create and destroy money. Bank credit is money. It's the money we do most of our business with, not with the currency we usually think of as money.*" (Given in evidence before a Congressional Committee).

"When you or I write a check, there must be sufficient funds in our account to cover the check; but when the Federal Reserve writes a check, there is no bank deposit on which that check is drawn. When the Federal Reserve writes a check, it is creating money." -- *From the Boston Federal Reserve Bank pamphlet, "Putting it Simply"*.

"Neither paper currency nor deposits have value as commodities. Intrinsically, a 'dollar' bill is just a piece of paper. Deposits are merely book entries." -- *"Modern Money Mechanics Workbook" Federal Reserve of Chicago, 1975*

"States, most especially the large hegemonic ones, such as the United States and Great Britain, are controlled by the international central banking system, working through secret agreements at the Bank for International Settlements (BIS), and operating through national central banks (such as the Bank of England and the Federal Reserve)... The same international banking cartel that controls the United States today previously controlled Great Britain and held it up as the international hegemon. When the British order faded, and was replaced by the United States, the US ran the global economy. However, the same interests are served. States will be used and discarded at will by the international banking cartel; they are simply tools." -- *Andrew Gavin Marshall. US Columnist.*

The Debt system not only results in growing and political and economic centralizing within nations. It is being used to attempt to impose an international dictatorship. Following the First World War there was the establishment of the 'the Banker's Bank', the Bank of International Settlements, based in Switzerland, and the fostering of what was known as Central Banking.

The Bank of International Settlements demonstrated that it is above nations by continuing to operate freely right through the Second World War. The international merchants of debt planned further centralization during the Second World War, which saw as one result the establishment of the International Monetary Fund and the World Bank: *The Money Trick p.51*

Mr. William McChesney Martin, a former Chairman of Directors of the American Federal Reserve system frankly conceded that the establishment of an International Central Bank creating international credit must have a serious effect on national independence:

"*One often hears it said that the existence of a world central bank is inconsistent with the maintenance of national sovereignty. So it is, if by sovereignty one means what has been traditionally defined by that phrase - the unfettered rights of national governments to act in whatever way they may choose in economic, financial or defence matters. Further evolution along the path toward a world central bank will require nations to accept further limitations on their freedom of independent action.*"

Mr. William McChesney Martin, former Chairman of Directors of the U.S. Federal Reserve Banking system, lecturing at the Per Jacobbsen Foundation I September, 1970, on the subject 'A World Central Bank' said:

"*I move on now to speak about the most dramatic development to date in the process of evolution towards a world central bank. This is the agreement to create Special Drawing Rights. International money is now being created deliberately and systematically and as the result of international decision.*"

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## The Bank of England

Harvard historian Professor Carroll Quigley included in his magnum opus "Tragedy and Hope", which served as the basis for his university lectures, a history of the banking system that is particularly cogent. Quigley traced the mechanism of present-day banking to the founding of the Bank of England in the 17<sup>th</sup> century:

The Founding of the Bank of England by William Patterson and his friends in 1694 is one of the great dates in history...It early became clear that gold need be held on hand only to a fraction of the certificates likely to be presented for payment...In effect the creation of paper claims greater than the reserves available means that bankers were creating credit out of nothing. The same thing could be done in another way. Deposit bankers discovered that orders and cheques drawn against deposits by depositors and loaned to a third person were often not cashed by the latter but were deposited in their own account. Accordingly it was necessary for the banks to keep on hand in actual money no more than a fraction of deposits likely to be drawn upon, and cashed, the rest could be used for loans, and if these loans were made by creating a deposit (account) for the borrower, who in turn would draw cheques upon it rather than withdraw money, such 'created deposits' or loans could also be covered adequately by retaining reserves to only a fraction of their value. Such created deposits were also a creation of money out of nothing...William Patterson however, on obtaining the charter of the Bank of England said: "The Bank hath benefit of interest on all moneys which it creates out of nothing". Carroll Quigley "Tragedy and Hope" (pp.48-49) *The Banking Swindle* pp 44-45

David Astle's "The Tallies, A Tangled Tale and The Beginning and the Ending" includes an abridged copy of The Charter of The Bank of England. pp 54-61.

The late Dr Carroll Quigley, professor was a professor of history at the Foreign Service School of Georgetown University. He was, as his book reflects, brilliant, egotistical and opinionated. He also was a confirmed socialist who believed the world could be a better place if the educated elite ruled.

Former President Clinton said in 1992: "...As a student at Georgetown, I heard that call clarified by a professor named Carroll Quigley, who said to us that America was the greatest country in the history of the world because our people have always believed in two things: that tomorrow can be better than today and that every one of us has a personal, moral responsibility to make it so."

Unfortunately, Dr Quigley revealed the game plan of the elite when the elite (a shy group by nature and not at all given to republican government) didn't want it publicized. Far from wanting to hide this "network" (as he called it), Quigley was proud of it:

"I know of the operations of this network because I have studied it for twenty years and was permitted for two years, in the early 1960's, to examine its papers and secret records. I have no aversion to it or to most of its aims and have, for much of my life, been close to it and to many of its instruments. I have objected, both in the past and recently, to a few of its policies...but in general my chief difference of opinion is that it wishes to remain unknown, and I believe its role in history is significant enough to be known."

Thus, unfortunately, Tragedy and Hope was pulled from bookshelves nationwide and recalled faster than an exploding Easter Bunny, never to be published again, except for a highly abbreviated edition. But if you can pick up a copy of this book, you'll find how things often worked behind the scenes of government and the worldwide ambitions of "the network."

If you simply want to know about the network and how it operated up until this book was published, I recommend Dr. W. Cleon Skousen's "Naked Capitalist," which I believe is still in print.

Few states have been able to remain outside this system of International finance. Great Britain surrendered its sovereign power of creating its own money in 1694 with the setting up of the Bank of England.

As pointed out by Bishop Burnet in his classic, "History of His Own Times", the Tories (Conservatives) of the day bitterly opposed the establishment of the Bank, warning that the Bank would become "the masters of the stock and wealth of the nation." In the plan drawn up for the establishment of the Bank of England in 1694, it was frankly stated, "The Bank hath benefit of interest in all moneys which it creates out of nothing."

### The Bank of England

"I set to work to read the act of Parliament by which the Bank of England was created. The Investors knew what they were about. Their design was to mortgage by degree the whole of the country...lands...houses...property...labour...The scheme has produced what the world has never seen before - starvation in the midst of abundance." William Corbett, "The Political Register", XVIII 14<sup>th</sup> July 1810...David Astle. *The Tallies, A Tangled Tale and The Beginning and the Ending*, p.62 Former British Prime Minister W.E. Gladstone once stated:

"From the time I took office as Chancellor (December 1852) I began to learn that the state held, in the face of the Bank and the City, an entirely false position as to finance. The hinge of the whole situation was this: The Government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned. In the question of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. I was tenaciously opposed by the Governor and Deputy-General of the Bank of England, who had seats in Parliament. I had the City for an antagonist on almost every occasion"...Marley's "The Life of Gladstone". (The term "the City" in London refers to the banking and financial institutions). *The Money Trick*

Sir Josiah Stamp, President of the Bank of England in the 1920s, the second richest man in Britain has reportedly stated:

*"Banking was conceived in iniquity and was born in sin. The Bankers own the Earth. Take it away from them, but leave them the power to create deposits, and with the flick of a pen they will create enough deposits to buy it back again. However, take it away from them, and all the fortunes like mine will disappear, and they ought to disappear, for this world would be a happier and better world to live in. But if you wish to remain slaves of the Bankers and pay for the cost of your own slavery, let them continue to create deposits."*

In 1750 sanctions were imposed by the Bank of England forbidding Pennsylvania from issuing its own 'script' which played a role in fermenting the American revolt.

Benjamin Franklin:

*"The refusal of King Georg 3rd to allow the colonies to operate an honest money system, which freed the ordinary man from the clutches of the money manipulators, was probably the prime cause of the revolution."*

Following the War of Independence, the US Government actually took steps to keep the bankers out of the new government:

*"Any person holding any office or any stock in any institution in the nature of a bank for issuing or discounting bills or notes payable to bearer or order, cannot be a*

member of the House whilst he holds such office or stock."  
-- Third Congress of the United States Senate, 23rd of  
December, 1793, signed by the President, George  
Washington

James Garfield US President. 1880-81:

"He who controls the money supply of a nation controls the  
nation."

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### **Bank of England confirms banks create money/credit out of nothing**

#### **THE SOCIAL CONSTRUCTION OF MONEY**

**James Reed. On Target 9 May 2014**

Social Crediters and all take note – the Bank of England's *Quarterly Bulletin* has an article telling us that banks create money/credit out of nothing. For the purposes of 'the record' let us preserve this. The article is by Michael McLeay, Amar Radia and Ryland Thomas of the bank's Monetary Analysis Directorate and the reference is: "Money in the Modern Economy: An Introduction," (*Quarterly Bulletin*, Q1, 2014).

Now for the important passages:

*"The vast majority of money held by the public takes the form of bank deposits. But where the stock of bank deposits comes from is often misunderstood. One common misconception is that banks act simply as intermediaries, lending out the deposits that savers place with them. In this view deposits are typically 'created' by the saving decisions of households...Savings does not by itself increase the deposits or 'funds available' for banks to lend. Indeed, viewing banks simply as intermediaries ignores the fact that, in reality in the modern economy, commercial banks are the creators of deposit money."*

Thus it is the act of lending itself which creates deposits, the reverse, the authors note, of that typically portrayed in text books.

The article goes on to explain in detail how lending creates deposits. Commercial banks create deposits by making new loans. Loans are not usually in the form of masses of banknotes, but rather the commercial bank credits its borrower's bank account with a bank deposit the size of the loan.

This creates new money which has been called "fountain pen money," but today "key board money" would be more appropriate. "This description of money creation contrasts with the notion that banks can only lend out pre-existing money... Bank deposits are simply a record of how much the bank itself owes its customers. So they are a liability of the bank, not an asset that can be lent out."

There are limits on banks about the amount of credit that can be created from regulatory policy (capital adequacy ratios) to steps banks may take to offset the risks associated with making additional loans. Nevertheless, this article clearly confirms the tenet of Social Credit, that commercial banks create money *ex nihilo*. This is worth noting because some of the media critics believe that banks lend out deposits only and criticise us as those "funny money" people.

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### **Commonwealth Bank of Australia**

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#### **Introduction to the Story of the Commonwealth Bank**

A study of events leading up to the establishment of the Commonwealth Bank, and subsequent developments, provides an understanding of a vital, but comparatively little-known part of Australian history. Events since the publication in 1948, of the twelfth (revised) edition of *The Story of The Commonwealth Bank*, have both highlighted how the bank could have been used to serve the Australian people, and the author's fears about the implications of acceptance of the Bretton Woods Agreement in 1947.

Much more is known today about the long-term strategy of those international forces which created the International

Monetary Fund and The World Bank. For example, with the emerging programme to establish a New International Economic Order, it has been revealed that the British economist, John Maynard Keynes, who played a major role in preparing the Bretton Woods Agreement, had in 1942 drafted a memorandum - 'The International Control of Raw Materials'. This memorandum, listing those commodities which Keynes felt should be under international control, remained unpublished until 1974, the year when the United Nations made its Declaration for a New International Economic Order. Another influential architect of the Bretton Woods Agreement was Harry Dexter White of the American Treasury. White was subsequently appointed as an American Director of The International Monetary Fund. White allegedly committed suicide when he was exposed as a top Soviet agent. A fellow Marxist, Verginius Frank Coe, who had been White's assistant in the American Treasury Department, was technical secretary at the Bretton Woods Conference and later appointed secretary of the International Monetary Fund. Following his exposure as a Communist agent, Coe left the U.S.A. and later worked as an economic expert for the Chinese Communist Government.

As pointed out in *The Story of The Commonwealth Bank*, the independently-minded Past Governor of the Bank, Sir Denison Miller, used the bank's credit power after the First World War to save Australians from the depression conditions being imposed in other countries. But with moves to centralise banking globally under an International Monetary Fund possessing the right to create a new type of international currency, there is an open threat to the financial independence of all nations.

Mr. William McChesney Martin, a former Chairman of Directors of the American Federal Reserve system, has outlined the 'shape of things to come': Further evolution along the path toward a world central bank will require nations to accept further limitations on their freedom of independent action.

The story of the Commonwealth Bank had its origins with the arrival in Australia late last century of one of the most colourful figures ever to enter Australian politics, the American King O'Malley.

From the beginning of the history of the U.S.A., the subject of banking had been more openly discussed than in most countries. Thomas Jefferson had openly attacked the threat of the Money Power. The basic cause of the revolt of the American colonies against the British Government was the fact that the colonists were creating their own money and enjoying comparative prosperity compared with conditions in Britain. Benjamin Franklin obviously understood the money question. King O'Malley had made a close study of the banking question and upon joining the Australian Labour Party, made every endeavour to interest his colleagues. King O'Malley was a Federal Minister in the Fisher Labour Government before his long campaign for the establishment of a government bank creating credit, was successful. There have been many stories of the stratagems to which O'Malley allegedly resorted to persuade or cajole his reluctant colleagues to establish a bank, one being that, in true American Western style, he wore two guns to a Cabinet meeting, placing them on his desk to emphasise his point. Although O'Malley was certainly a colourful character in more ways than one, there is no reliable evidence for the story about the guns.

At the official opening of the Commonwealth Bank in 1912, William Morris Hughes, the man who later became Australian Prime Minister and known affectionately as 'the little Digger', said:

"It (the Bank) stands here today as the outward and visible sign of the wealth and substance of the whole people. It is indeed Australia commercially translated in the terms of money. It is the symbol of our wealth: it will stand as long as we stand. Of its solvency there can be no doubt while the race that made Australia stands".



This realistic comment was echoed after the end of the First World War, when Sir Denison Miller said, as reported in the Australian press on 7th July, 1921:

"The whole of the resources of Australia are at the back of this bank, and so strong is this Commonwealth Bank whatever the Australian people can intelligently conceive in their minds and will loyally support, that can be done".

The Hon. King O'Malley, who had maintained a keen interest in Australian politics over the years, was stirred by what he saw as yet another attempt to emasculate his beloved Bank. Although over 80 years of age, King O'Malley vigorously entered the 1939 'Save The Commonwealth Bank Campaign', publishing a little booklet in which he demonstrated that he was still capable of the type of language for which he was famous during his campaign to have the Bank established. He wrote, I trust that good and patriotic Australians will swear by the altar of their gods, the tombs of their Ancestors and the cradles of their children, that they will never vote for Parliamentary candidates whose secret mission is to destroy the Commonwealth Bank ... and whose brains, if extracted, dried and placed in the quill of a cocksparrow and blown into the eye of a bee, would not even make him blink

In 1960 the Reserve Bank took over the role of Central Bank from the Commonwealth Bank. Like other trading banks, the Commonwealth Bank is today governed by Reserve Bank controls. The Federal Government could direct the Reserve Bank to adopt a completely different policy to that which results in ever-escalating debt, crushing taxation and insidious inflation. For example, interest rates could be reduced to the point where they were sufficient to meet the administration costs of creating and administering credit. New money could be made available as a credit, instead of a debt, for financing consumer discounts as a major part of an anti-inflation policy. But none of these and similar steps will be taken until a more enlightened public insists that the disintegration of Civilisation can only be halted by a reversal of present credit policies. Eventually this must happen.

When history is written, the name of D.J.AMOS, a distinguished Adelaide professional man, will be given an honoured place for his contribution to an understanding of a special Australian institution, the Commonwealth Bank. Let us consider the story of the Commonwealth Bank. It merits your attention, for if the Commonwealth Bank had been allowed to function as it did at the commencement of its career, Australia would have been helped over the years of depression as it was helped over the war period (1914-1918), many prosperous business firms would have been saved from ruin and somewhere about one-third of our people would not have had to eat the bitter bread of charity.....

"The Story of the Commonwealth Bank"

<http://www.alor.org/Library/Commonwealthbank.htm>

*The Institute of Economic Democracy, 1981.*

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### **King O'Malley and The Commonwealth Bank of Australia**

A state bank was inaugurated primarily thanks to the tireless efforts of Labour politician King O'Malley. O'Malley was a Christian when it was possible to be a Christian and a 'socialist' and 'socialism' was not synonymous with Marxist atheism. In many ways his struggle to break the hold of usury over Australia was similar to that of New Zealand icon Labour politician John A Lee, who is discussed below. Like Lee, O'Malley often found himself opposed by 'socialists' in his own party.

King O'Malley, an immigrant from America who had a background in banking and insurance, was for a long time the only voice campaigning for an Australian state bank. O'Malley began campaigning for an Australian state bank in 1901 as a Labour Member of Parliament in Tasmania. From then until his 1910 O'Malley was the only Member of Parliament to speak in any detail on this. Finally in 1908 the Brisbane Labour Party Conference adopted O'Malley's scheme that became the basis of the Commonwealth Bank.

In 1908 presented his scheme in full to Parliament, for the purposes of creating a 'National Bank of Deposits, Issue, Exchange and Reserve.

A biographer states in regard to the opposition that O'Malley encountered from within the highest echelons of the Labour Party:

"In 1980 O'Malley presented in parliament a detailed plan for the creation of a national bank of deposits, issue exchange and review, and in the same year as the third Federal conference of the ALP succeeded in transferring creation of the 'Commonwealth bank to the platform. Despite this, O'Malley knew that many party members were lukewarm and he devoted the next two years to educate them. Partly because of his bad relate relationship with Prime Minister Andrew Fisher and W.M. Hughes, O'Malley was not elected by caucus to the Ministry in 1908. Fisher and Hughes were not convinced of the need for a national bank before the government was defeated in 1909. But party support was growing for a competing bank that would smash the 'Money Power'." *Arthur Hoyle, 'O'Malley, King (1858-1953) Australian Dictionary of Biography.*

O'Malley, like New Zealand's John A Lee had a sound knowledge of banking practice. When introducing the scheme O'Malley stated:

"The present banking system was founded on the idea that the many were created for the few to prey on. Debts are contracted for land, labour, products and other commodities...the present banking system is operated to enrich bankers and a few capitalists instead of operating for the producers...Although the industry of the producers support the whole, they have no voice in the management...Therefore the money managers can create a financial crisis whenever it suits their interests by demanding and forcing banks to suspend specie pay: and in order to prevent it, the banks earmark credit for them at the expense of the producers...Frenzied financiers work in support of each other's interest and secure the last farthing from the producers of the wealth of the Commonwealth under the pretence that the money or bullion is the real wealth, and, they keep the producers permanently toiling for gold without possessing it, while they live in luxury on what the workers produce..." *David Kidd... "How money is created in Australia".*

O'Malley's description of the banking system in 1908 continues to apply to today's banking method. Note here that O'Malley's appeals to 'Christianity', not Marxism, which has never had much to say on banking and obscures the real cause of economic crisis, exploitation and dispossession by focusing on private property rather than on banking and usury.

The Commonwealth Bank, however, was constituted to act as a regular commercial bank, albeit state owned (like New Zealand's current Kiwi Bank), and not as the generator of state credit...Like the Reserve Banks of today the Commonwealth Bank was merely intended by Fisher to serve as the state agency for borrowing from private banking.. Sir Dennison Miller, the Bank's Governor, proceeded to operate the bank without recourse to private capital but on the security of the nation's credit...The Commonwealth Bank was therefore was able to fund Australia's infrastructure on the people's credit, without usury. An Australian commentator remarks on the achievements of the Bank:

"At a time when private banks were demanding 6% interest for loans, the Commonwealth Bank financed Australia's First World War effort from 1914 to 1919 with a loan of \$700,000,000 at an interest of a fraction of 1%, thus saving Australians \$12,000,000 in bank charges. In 1916 it made funds available in London to purchase 15 cargo steamers to support Australia's growing export trade. Until 1924 the benefits conferred upon the people of Australia by their Bank flowed steadily on. It financed jam and fruit pools to the extent of \$3 Million, it found \$8Million for Australian homes, while to local government bodies for construction of roads, tramways, harbours, gasworks,

electrical plants, etc., it lent \$18.72 Million. It paid \$6. 194 million to the Commonwealth Government between December, 1920 and June, 1923 the profits of its Note Issue Department – while by 1924 it had made on its other businesses a profit of \$9 million, available for debt redemption. The banks independently-minded Governor, Sir Dennison Miller, used the bank's credit powers after The First World War to save Australian's from the depression conditions being imposed in other countries. .” David Kidd...”How money is created in Australia”.

In 1924 the governing of the Bank was placed in the hands of a directorate comprised mainly of private interests, and the work that the Bank had undertaken previously was stymied. Hence, while across the Tasman the Reserve Bank of New Zealand issued state credit for the iconic state housing scheme in 1935, Australians were denied the same benefits that their Commonwealth Bank could have implemented had the intentions of O'Malley been enacted. Indeed, by the Depression era, the Commonwealth Bank even refused to extend credit to the Scullin Labour Government unless pensions were cut, which Scullin refused. During WWII the State resumed its authority over the Bank and in the aftermath of the war it oversaw economic expansion. The bank was privatised during the 1990s. *The Banking Swindle. pp 89-95*

In his book “Australia's Government Bank”, L.C. Jauncey records the humble start of the once-people-owned Commonwealth Bank of Australia:

“On July 15, 1912, with no subscribed capital and with assets of only 10,000 pounds in the form of a loan from the Commonwealth Government, the Bank opened its doors for business. On July 7, 1921, a deputation of unemployed waited on Sir Dennison Miller, the then Governor of the Bank: Mr Scott (member of the deputation):

“In your address in London, Sir Dennison, you stated that to meet the necessities of war things had to be done by you, which, before the war, would not have been dreamed of. You financed Australia for \$700 million for war purposes, and, if the war continued, you could have financed another \$700 million. Are you now prepared to finance Australia \$700 million for productive purposes?”

Sir Dennison Miller: “Yes, I shall do my best”.

Sir Denison Miller was born at Fairy Meadow, near Wollongong, New South Wales, on 8 March 1860. After completing his education he entered the service of the Bank of New South Wales at Deniliquin in 1876, and six years later was transferred at his own request to the head office at Sydney. Showing great attention to his work Miller became accountant in 1896, and four years later, assistant to the general manager. In 1909 he was appointed metropolitan inspector.

In 1911 Miller was summoned to Melbourne to see the Prime Minister, Andrew Fisher. The bill was discussed and Miller was asked to become the first governor. The appointment was something of a surprise, but no doubt discreet inquiries had been made which satisfied Fisher that Miller was a man with the knowledge, courage and caution, required for the office. His appointment was dated 1 June 1912, and in July the bank's business was started in a small room in Collins-street, Melbourne, the staff consisting of Miller, and a messenger lent by the department of the treasury. The sole capital was £10,000 advanced by the government.

Miller used his powers wisely, and was an indefatigable worker until his unexpected death at Sydney on 6 June 1923. He was created K.C.M.G. in 1920.

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Nations like Australian can only have financial and economic sovereignty, and defend themselves if they insist upon effective control over their own credit. Australia's fledgling power of creating its own money was surrendered when the

Commonwealth Bank was first strangled in the 1920s and eventually sold off by the Keating Government.

Orthodox economists and those with vested interests in maintaining the financial status-quo that any system other than that devised by them, which of necessity is based around debt finance - usury - is unworkable, crackpot, and inflationary, and can only end in disaster. This fiction can only be maintained by the widespread ignorance of history, in regard to the manner by which communities and entire states have been salvaged from ruin by innovative financial measures which we have been considering herein. While our parents and grandparents knew a lot more and widely discussed the banking system, there is little evidence of a present day awakening on economic realities despite the colossal debt that is catching up to most of the world. The debt system is parasitism in the sense of taking without returning anything positive to the host. The host is the nation-state, the individual, the family, the businessman, the farmer, the community, and the world.

While there are entire disciplines and professionals devoted to explaining economics, the way by which the financial system operates and the way its inherent flaws can be eliminated is comparatively straight forward, but seldom explained.

The fundamental question is: If a private bank can create and lend credit as a profit-making commodity by charging interest, then why can't a government create its own credit as a public service and purely as a means of exchange of goods and services without incurring debt through exorbitant interest? Credit and currency are only supposed to be a convenient method of exchange, instead of exchanging a bag of potatoes for a sack of flour, etc. It is because credit has become a prerogative of private banks, instead of government acting on behalf of the people, that the interest incurred on credit loaned as debt sucks real money, created from actual production, out of circulation, and so the process continues, with debt accruing all the time, with financial booms and busts. There is never enough purchasing power for the consumer to buy the full value of production. One result is export wars which can conclude in shooting wars. Moreover, interest compounds because loans must be taken out at interest to repay the interest on previous loans. The result is eventually a credit bust where the banks, operating through the International Monetary Fund, foreclose not only on individuals and businesses but on entire nations, and stringent 'austerity measurers' are placed on the hapless citizens, while the state is forced to sell off the nation's assets to pay off the debt. One example of this was that the debt accrued from New Zealand's 'Think Big' projects that were supposed to lessen New Zealand's dependency on overseas energy resources, had to be sold off to repay the interest on the loans that had to be raised to pay for the projects. New Zealand's National Debt similarly began with public loans for national development inaugurated by Treasured Julius Vogel who borrowed from the London Rothschilds”.

The debt system is parasitism in the sense of taking without returning anything positive to the host. The host is the nation-state, the individual, the family, the businessman, the farmer, the community, and the world. *The Money Swindle*

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### **The Great Fire Sale of Australia! James Reed. On Target 17<sup>th</sup> February 2014**

Infrastructure Australia has concluded that privatisations, sell-offs of ports, electricity and water utilities, among other things, will leave governments around \$64 billion better off even without dividends. (The Australian 8 January 2014 p.1) But wait – there's more! Selling off 30 government (read the peoples) assets, including the Snowy Hydro scheme, would yield \$92 billion.

It looks like the private sector can run everything....Does the Abbott government really want to save money or is it just going through the usual motions of the Liberals – feeding the corporates from the public (read the people's) assets created by the blood, sweat and tears of generations of Australians.

### **1949 Liberal Party Statement of Beliefs**

Have you noticed the many references to 'conservatives' these days? I have and I think it time we defined what a 'conservative' now means. "We Believe in Liberty: Not anarchy, but an individual and social liberty based upon and limited by a civilized conception of social justice."

#### **No They Don't! Probably Never Did**

They DON'T believe in individual liberty nor social liberty! It is intended that you, me, we 'Australians of the Land of the Free', will become simply wage-slaves competing on the world labour market for the jobs our Corporate Masters offer us.

**World Economic Forum:** The powerful few who meet at Davos make decisions for millions of less well-connected folk... Funded by its 1,000 member companies whose balance sheets run, typically, into the billions, it is a meeting of minds and money for five days of speeches, dinners, drinks and perhaps the most pervasive intoxicant of all, influence. (I think the ABC should have said POWER! not merely 'influence'). - - ABC News, 20 January 2014

#### **Why am I Not Surprised? The Financial System Is Never Mentioned!**

The headlines read, World Economic Forum: "World's rich threaten democracy says Oxfam in pre-Davos report" 21 Jan, 2014.

"The world's elite have rigged laws in their own favour undermining democracy and creating a chasm of inequality across the globe, charity Oxfam said in advance of the annual get-together of the world's most powerful at Davos. Inequality has run so out of control, that the 85 richest people on the planet "own the wealth of half the world's population," Oxfam said in an introduction to a new report on widening disparities between the rich and poor."

How have they rigged laws in their own favour and undermined democracy? Oxfam doesn't tell us. But wait, aren't we all for liberty and private initiative (i.e., free enterprise) within a democracy? The question is though, how to claw back our freedoms in this 21st century? It is not as though people are not now more and more aware of the forces that now control us.

C. H. Douglas saw our future in 1919. In "The Pyramid of Power" he wrote: "At various well-defined epochs in the history of civilisation there has occurred such a clash of apparently irreconcilable ideas as has at this time most definitely come upon us. Now, as then, from every quarter come the unmistakable signs of crumbling institutions and discredited formulae, while the widespread nature of the general unrest, together with the immense range of pretext alleged for it, is a clear indication that a general re-arrangement is imminent. As a result of the conditions produced by the European War the play of forces usually only visible to expert observers has become apparent to many who previously regarded none of these things. The very efforts made to conceal the existence of springs of action other than those publicly admitted, has riveted the attention of an awakened proletariat as no amount of positive propaganda would have done. A more or less conscious effort to refer the results of the working of the social and political system to the Bar of individual requirements has on the whole quite definitely resulted in a verdict for the prosecution; and there is little doubt that sentence will be pronounced and enforced..."

In "Economic Democracy" he wrote of the changes he saw that were needed: "We have in the industrial field a double problem to solve: to obtain effective distribution of the results of consumer production and to restore personal initiative".

That was written in 1920 - how much worse is the situation today.

Industry governed by Control of The One Bank's credit creating powers:

Modern Industry with its use of power driven machinery requires a constant flow of new money to maintain the flow of goods from factory to customer. This new money is provided by the banks. Loans are made to industry through the bank's ledgers, albeit the ledgers are now computer files, and the industry concerned pays the costs of its raw materials etc, by

cheque, credit card or computer spark. The bank loan is repaid from the returns, cash brought in by sales, but the important point to bear in mind is that these loans are created by the banks out of nothing, and that banks alone have the right (or power) to create credit.

The immediate effect of this Monopoly of Credit "the life-blood of industry," is to give the banks control over industrial expansion. The bank stands in relation to industry as a works department stands to a factory. Each factory of any size has a clerk of works, who allocates resources. The various sections of a factory send their requests to the works department, which then issues orders accordingly; the smooth running of the factory depends upon the prompt issue of these orders.

The bank stands in the same relation to the whole industrial system as works departments do to individual factories. The bank lends money, which it creates out of nothing, according to policies of its own and these policies are not necessarily the policies of either industry or the nation. The bank may deliberately limit production, and therefore prosperity, by restricting credit, a Policy admitted by Montague Norman, Governor of the Bank of England, when he said "I do not think it is good for people to be prosperous".

Industry must borrow from The One Bank so too must Governments - as under present policies of ALL mainline political parties. As a result, the bank (and there really is only One Bank) is in a position to restrict, even determine, the actions of otherwise sovereign states. For example, if bank policy is that China is to be the new emerging world power (as it is), credit would be made available to Chinese industries. Resources from such countries as Australia would be purchased through the One Bank's credit creating powers". *James Reed. On Target 17<sup>th</sup> February 2014*

#### **The Great Betrayal: Coalition Has Australia Up For Sale!**

Prior to the Federal election the Coalition promised to lower the threshold for scrutiny by the Foreign Investment Review Board (FIRB) regarding foreign ownership of Australian land. The trigger point was to be lowered from \$244 million to \$15 million. While the Treasurer was in this mood, he stopped the sale of Graincorp to ADM. However things changed from that point when the Treasurer announced that the Government and FIRB would not stand in the way of Canadian, Saputo's takeover of Warrnambool Cheese and Butter. Saputo's offer was cleared while Australian owned Murray Goulburn attempted to 'jump through' more complex hoops.

Trade Minister Andrew Robb has now revealed in press reports (Border Watch Feb 18 2014) that under the Free Trade Agreement with Korea, that "Korean investments in Australia will only go to the FIRB for approval if they're valued at above \$1.1 billion..." Instead of honouring the reduced threshold, it has been raised in the case of Korea to over four times the amount. It would appear the Coalition has Australia for sale, free of any restrictions. What has happened to the Coalition Government we keenly sought to replace Labor? - - Ken Grundy, Naracoorte South Australia

#### **The TPP, Tyrannical Globalism and The 1949 Liberal Party Statement Of Belief**

On Target 7 February 2014, mentioned the 1949 Liberal Party Statement of Beliefs. I have "We Believe, the ninth reprint of October 1964. It is instructive to compare this document to what the Liberals are up to now, especially with the Trans-Pacific Partnership.

We Believe consists of 17 statements, all beginning with "We Believe". These are taken to define Liberal doctrine, placing the Liberal Party squarely within the classical liberal tradition of the primacy of the primacy of the freedom of the individual. Thus: We believe in: 1. The Crown; 2. Australia; 3. The Individual; 4. The Rule of Law; 5. That the "Class War" is a False War; 6. Liberalism Means Flexibility and Progress; 7. That Improved Living Standards Depends Upon High Productivity and Efficient Service; 8. The Spirit of the Volunteer; 9. That Rights Connote Duties; 10. In Liberty ("not anarchy, but an individual and social liberty based upon and limited by a civilised conception of social justice"). And so it goes on.

My favourite is "We believe that national financial and economic power and policy are not to be designed to control men's lives". The statement concludes "but to create a climate in which men may be enabled to work out their salvation in their own way". The Liberal Party has never held to these classical liberal ideals of Adam Smith and John Stuart Mill. It is the party of big business and is quite willing to even abandon ideals of Australian sovereignty to give the international financial elites greater control over Australia, and even to abandon the ideal of any sort of economic sovereignty. The Trans-Pacific Partnership is a good example. The document has never been released to the Australian public for democratic scrutiny – contrary to the individual liberty principle. Negotiations have proceeded with the utmost of confidentiality and it has only been leaked fragments of the document that critics have been able to examine. For example, special courts will be able to overrule Australian laws, such as environmental protection, in the name of "free trade".

Recently Andrew Robb, Minister for Trade and Investment, has published his defence of the Trans-Pacific Partnership. (The Australian 10 February, 2014 p.10). It is a perfect example of how the Liberals are illiberal. For example, on the issue of the release of the draft negotiating text, Robb says, "It is simply not common practice to release text before agreement has been reached". He says that "once the text has been agreed to by all negotiating parties it will be made public". The problem here is that by that time the agreement will already be signed or ready to be signed with no public scrutiny. The existing secrecy is an indication of "bad faith" that will be continued. Robb is concerned about "misinformation" peddled by critics about the Trans-Pacific Partnership. All the more reason to come clean about what the deal involves.

If it really is "nonsense" that the Trans-Pacific Partnership "will open the floodgates for big foreign multinationals to sue member governments for introducing laws and regulations that they simply don't like" as Robb says, then what about leaked passages of the document that says exactly that?

Finally Robb, as Minister for Trade and Investment says that he would not sign up for anything that does not materially advance Australia's interest: "Why would I?" Well, could it be that your government is essentially the puppets of the big foreign multinationals and global financial elites who are now consolidating what may once have been known as "Australia" in the Asian New World Order (ANWO)? *Peter West. On Target 28<sup>th</sup> February 2014*

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"Banks do not have an obligation to promote the public good." Alexander Dielius, CEO, Germany, Austrian, Eastern Europe Goldman Sachs, 2010

"I am just a banker doing God's work." Lloyd Blankfein, CEO, Goldman Sachs, 2009".

Philip A. Benson, President of the American Bankers Association, in a speech at Milwaukee on June 8, 1939, quoted in the New York Times of June 11, 1939, said: "There is no more direct way to capture control of a nation than through its credit system".

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### Some Remedial Proposals

That a National Monetary Authority, responsible to Parliament be appointed to:

- (1) Control the policy of the Reserve Bank and Trading Banks.
- (2) Relate the total of monetary issues, (i.e. money creation) each year to the total productive capacity of capital and consumable goods and services.
- (3) That the National Monetary Authority, using the Reserve Bank as its instrument, provides the Federal and State governments and Municipalities with their monetary needs without interest, for capital development, and to be repaid at the rate of depreciation of the work in question.
- (4) That the National Monetary Authority Produces a Balance Sheet each Year. Its members should answer all questions in open secessions. The Balance Sheet should debit Australia

with the cost of all capital development, at the same crediting Australia with the asset value of such capital development. (Currently, all public development is charged as an interest bearing debt. But Australians are never credited with the value of the asset. No private business could survive for very long such inaccurate accountancy.)

(5) That public loans be redeemed – not renewed – as they fall due, the redemption be underwritten by the Reserve Bank.

(6) That total income taxation be reduced at a flat rate of 5% annually; the progressive reduction to be continued if the National economy responds satisfactorily. That vexatious taxation such as payroll tax, stamp duties and GST etc. be progressively reduced over five years and then abolished altogether. (All taxation is passed on in prices).

(7) That no bank be permitted to discount Treasury Bills: Treasury Bills finance should be terminated as an instrument or symbol of further financial debt.

(8) That all interest rates be reduced to the cost of service, and removal of the current policy in which interest can be raised and lowered arbitrarily bankrupting segments of the community.

(9) That the war-time policy of price-subsidisation on basic items in the economy, which proved so successful in halting inflation without any squeeze, be re-enacted but with this vital difference; that the subsidies be met from the National Credit Account and not from taxation. *The Money Trick. pp. 50-51*

(And) to paraphrase Douglas, since machinery has largely taken the place of human labour in the production of wealth and the productive machine is a communal creation and the accumulated knowledge of centuries went to its making, the wealth produced should be available to all. All living people ought to be tenants for life of this cultural inheritance. All should be shareholders, drawing a National Dividend in the form of real credit, and that without affecting their relationship to specific undertakings from which wages and salaries might be drawn as well.

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During the Depression era, there was widespread demand for banking reform. This awareness was greatly assisted in the British Commonwealth states by the tour of Maj. C H Douglas, to replace the debt finance system, as we have seen. Such things are now forgotten history. Few realize that Guernsey Island saved itself from destitution in 1820 by issuing its own currency, which is still used, independently of British Sterling; that not only did Lincoln issue 'Greenbacks' during the Civil War, bypassing the debt finance system, but that the Confederacy also issued Graybacks as 'non-interest bearing money [which] remained the predominant medium of exchange, and that President John Kennedy did something similar with the issue of US Notes via the US Treasury, bypassing the Federal Reserve bank system. *The Banking Swindle pp 124-125.*

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Opposition to usury was fundamental to the Church's approach to society. The Catholic Encyclopaedia states that at first it was only prohibited for clerics to charge interest on loans:

".....Nevertheless, the 12<sup>th</sup> canon of the First Council of Carthage (345) and the 36<sup>h</sup> canon of the Council of Aix (789) have declared it to be reprehensible even for laymen to make money by lending at interest. The canonical laws of the Middle Ages absolutely forbade the practice. .... And the third of the Lateran (1179) and the Second of Lyons (1274) condemn usurers. In the Council of Vienne (1311) it was declared that if any person obstinately maintained that there was no sin in the practice of demanding interest, he should be punished as a heretic. ('Usury', Catholic Encyclopaedia, 1917) *The Money Swindle p. 76*

It took a poet, Ezra Pound to explain more cogently about the history of money than economists and historians. Pound stated that: "The history of usury begins with loans of corn-seed in Babylon in the third millennium BC. The first mention I know of a state monetary policy refers to the year 1766 BC when an Emperor of China, to alleviate distress caused by famine and

*aggravated by grain monopolisers, opened a copper mine and coined discs of metal perforated with a square hole. He gave this money to the starving, and then they could buy grain where the grain was".*

Nearly four thousand years later the politicians, either did not have the wisdom or the courage to adopt a similar policy for getting food on the table of the starving during the Great Depression or for dealing with the present global debt crisis without getting into further debt or 'austerity measures'...*The Money Swindle*

Pound defined usury as 'a charge for the use of purchasing power, levied without regard to production: often even without regard to the possibilities of production'.

With Usura...

no picture is made to endure nor to live with  
but it is made to sell and to sell quickly  
with usura, sin against nature,  
is thy bread ever made of stale rags  
is thy bread dry as paper...

And no man can find site for his dwelling,  
Stone cutter is kept from his stone  
Weaver is kept from his loom

WITH USURA

Wool comes not to market

Sheep bring not gain with usura

Usura rusteth the chisel

It rusteth the craft and the craftsman

It gnaeweth the thread of the loom

It slayeth the child in the womb

It slayeth the young man's courting

It has brought palsey to bed lyeth

Between the young bride and her bridegroom

CONTRA NATURAM

They have brought whores to Eleusis

Corpses are set to banquet

At behest of usura.

Ezra Pound: Selected Poems 1908-1959 (London: Faber and Faber 1975).

'With Usura' precisely reflects Pound's position that the financial system denies the cultural heritage and creativity of the people, creates poverty amidst plenty, and fails to act as a mechanism for the exchange of the productive and cultural heritage. Creativity either fails to reach its destination or is stillborn. We might with this poem in particular understand why Pound felt the problem of banking and credit to be of crucial concern for the artist. *The Banking Swindle...p.70*

Usury is the 'Hidden Hand' in history. It is behind wars and revolutions, booms and busts and the travesty termed 'poverty amidst plenty'. It causes civil wars and class wars. Many problems of the world could be resolved with clarity once the dust the money-lenders throw in one's eyes is removed. The financial system is the means by which power politics functions at all levels. *The Money Swindle p. 122*

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The significance of the realistic comment after the end of the First World War by Sir Denison Miller, as reported in the Australian press on 7th July, 1921 cannot be overstated:

*"The whole of the resources of Australia are at the back of this bank, and so strong is this Commonwealth Bank whatever the Australian people can intelligently conceive in their minds and will loyally support, that can be done".*

The sovereign prerogative to create money belongs to the Commonwealth Government. Why doesn't the Government exercise this power? Why does it progressively pawn the assets of the people to the debt merchants when it has the power to create, without the incidence of debt, all the money required for Governmental purposes?

Control of credit and, control of information and propaganda are closely linked.

The report of the UK 'Southampton Chamber of Commerce' (14<sup>th</sup> June, 1933) aptly defined the objective of an economic system, and also defines the objectives of a financial system:

"The monetary or financial system is that part of the economic system which provides the machinery whereby the exchange of goods and services is effected. Money is essentially a man-driven means of replacing the cumbersome method of barter, so that goods and services can be exchanged with greater freedom. It may be described as a ticket, or token system."

Thus the 'Natural Law' objective of a financial system should be the distribution of all the goods and services which the community wishes to provide for itself, and it should, and it can only be judged by the efficiency with which it performs that function.

To the extent that a financial system achieves this objective it could be described as a 'true' or 'honest' system. On the basis of this criteria of judgement, the operation of the present system, with its inflation, excessive taxation, unnaturally high prices and shoddy quality goods and services, must be judged to be a conspicuous and abject failure. *Finance and Natural Law. pp.20-21.*

The participants in the raid and their supporters understood the central issue 75 years ago. If we are to prevail we must arm ourselves with the knowledge that there is an alternative and insist that the financial system be adjusted to reflect Natural Law.

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**Queensland Australia**

**28<sup>th</sup> May 2014**

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#### **Sources and Recommended reading:**

\* *The Story of the Commonwealth Bank*

<http://www.alor.org/Library/Commonwealthbank.htm>

\* Dr Kerry Bolton - *The Banking Swindle: Money Creation and the State* -

\* *The Money Trick*, originally titled, *It's Time They Knew*, by a former editor of the major rural weekly, *The Queensland Country Life*

\* A.A. Chresby and J.D. Malan - *Finance and Natural Law.*

\* Dr Kerry Bolton - [Revolution from Above.](#)

\* Frances Hutchinson - *Social Credit? Some Questions Answered.*

\* Olive and Jan Grubiak - *The Guernsey Experiment.*

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<http://douglassocialcredit.com/publications.php>

\* Frances Hutchison - *Understanding the Financial System.*

\* Clifford Hugh Douglas - *The Monopoly of Credit*

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\* Michael Rowbotham - *Grip of Death: A Study of Modern Money, Debt Slavery and Destructive Economics*

\* Eustace Mullins - *Secrets of The Federal Reserve*

\* G Edward Griffin - *The Creature from Jekyll Island*

\* John R Elsom - *Lightning Over The Treasury Building. An Expose of Our (U.S) Banking and Currency Monstrosity.*

\* Professor Anthony Sutton - *Wall Street and the Bolshevik Revolution.*

\* Prof Carroll Quigley- *Tragedy and Hope.*



## A visit to the City of Adelaide's Libraries

From Adelaide Institute's special correspondent in Perth, Western Australia

Recently I spent a few days in the Adelaide Mitchell Library. The atmosphere of the extended galleries and the classic furniture adds to the ambience generated by the scurrying librarians, eager to help, and the magnificent materials promptly to hand. It is a great pleasure to work in the areas and use the same books that one knows were used by previous generations of writers who developed the records of our nation. This library is one of the cathedrals of our culture. The proposed changes are a profanation of both the site and of what is best among us.

Afterwards I visited the State Library of SA. The Mortlock Library is another magnificent building with an atmosphere once guaranteed to create the calmness necessary for contemplation of the best we have. Unfortunately the termites got in a few years ago, before they went west. I was not able to do more than peek around a corner while the area was prepared for some pagan feast. The top floor contains the library of the Royal Geographical Society of SA, and I was amazed at such a treasure. Work schedules and their minimal volunteer staff meant only an hour or so surrounded by books that I never thought existed in this country.

There is a great deal more to books and libraries than just research and modern production line facilities are not the same. I have my doubts about e-books and generally consider them fit only for garbage fiction. Scanned and pdf sources are important for OOP material. However, all should be viewed as ancillary to the printed copy. Books are generally well distributed, or were, before the current crew of librarians, aka book burners, got into power. In war, the electronic systems will be the first to go.

The destruction of libraries and books in Australia is epidemic. In Western Australia the barbarianesses have gutted the system. Nearly an entire floor of the State Library has been sacrificed to the transients, backpackers, stinking underpass dwellers, cast offs of a failed mental health system, non-rate-paying overseas students and general pornographers, on the dozens of computer terminals. A coffee shop, an exhibition gallery of mostly irrelevant displays, and a cramped, ill designed - unless you are 'vertically challenged,' bookshop takes up the rest.

Going up! A noisy crèche that rings its screams throughout the building, via a wide unenclosed stairwell, takes a good portion of the next floor.

All these irrelevancies are necessary to keep the numbers up, to counter the departure of droves of citizens who normally would use the library. Eventually the system collapses in on itself.

Then we start seeing a few books - those that have escaped banishment to the stacks or the incinerator. However, the infestation of overseas students, courtesy of 'colleges' who

have the cheek to advertise 'their' library with a picture of the State Library shelves, makes the use of the areas by older Anglo citizens, problematic. The 'mahjong' clubs of atonal chatter make reading difficult and the aggressiveness of the invaders puts off many users. Try waiting at a lift or keeping to the left and you will still be there, underfoot. The sooner the collapse happens we can clear the decks of the manipulators and then take our citadels back.

A thousand years of experience has been cast out, to be replaced by fools who cannot prepare a catalogue and have no understanding of what books are about. These are not the oppressed and overworked counter staff, but the unseen manipulators who can rarely be contacted by the frustrated public. Government policy is to cut out all that does not make a dirty dollar, corporatize, and privatise. We will lose more by these criminal methods than we lose in a war.

I have written a critique, The ontology of book burning, detailing some of the cultural crimes taking place in WA. Similar white ants are at work in all aspects of the Department of Arts.

My own library, of some 40,000 books covering my fields of interest and work, is essential. I could not work at the pace that I do without it. Books were a love from childhood, and now they are both a sword and a ploughshare, defending my culture and cultivating the minds and life of my children and my associates. My house is my castle and we feel the peace and uplifting that goes with the presence of such books.

I greatly pity those who are poked by adherence to Hollywood propaganda and who think, 'never mind the quality, feel the width.'

Our culture has been hijacked by the worst of international garbage designed to mould all into consumers of mindless frippery to the benefit of the degenerate corporations.

'Western Culture' of this degraded type may have overtaken a great deal of the world, but all thinkers are despairing as to the result. We have so much that is of value and interest which is being destroyed because those now in control have no idea what they are doing.

In our little corner of Australia, I have, with the help of similarly inclined associates, developed a system of research and publishing which supports itself and greatly influences the culture of the state. But without pro-active libraries and other such institutions we are stranded, flotsam and jetsam on the shores of a poisoned sea.

There are many aspects that I have not touched but all of goodwill are aware of the magnitude of the problem and the extent of the rot.

Sign the petition.

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... more from DENIS ADAMS, Apsley, Victoria [denisadams@westnet.com.au](mailto:denisadams@westnet.com.au) ...

**Introduction: 11 February 2014**

Like most things belonging to the old German settlements in Australia the Gnadenthal cemetery near Penshurst is amazingly well kept but I couldn't find Johann's grave. I guess they don't regard him as a folk hero, so haven't made his grave a tourist attraction! Nearby Tabor is an amazing place.

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### THE BIG BANG THEORY

Anyone in recent years who has attempted to light a fire | probably feels as I do, that modern safety matches lean more

towards safety than flammability so I don't imagine this tale from my misspent youth will trigger too many terrorist attacks.

Soon after I began Grade 4 at Torrens Vale in the lower Adelaide Hills a boy I knew began making his own brand of crackers. He would save all his father's empty .22 bullet shells, fill them with ground up match heads, crimp the ends, and then set them off, usually between two flat rocks.

Seeing my father was away at the war I felt greatly disadvantaged because I had no source of empty shell cases whatsoever and few chances to purloin matches from a mother who kept a close eye on her kitchen necessities.

"Never mind," my friend told me. "All you need is a big nail to hammer into a tree stump. When you've made a deep enough hole you fill it with powder, put the nail back in and whack it with the hammer."

I could hardly wait! Next weekend I pinched the hammer and a four inch nail from Dad's sparsely equipped workshop, then made a hole in a tree stump far enough from the shack that my mother wouldn't see me, then having acquired a limited supply of match heads when her back was turned, I carefully powdered them, rammed some into the hole, inserted the nail and whacked it hard.

No explosion!

I removed the nail; poured in a bit more powder, thinking I hadn't put in enough, replaced the nail - and **whack!**

Again - no result!

Remove nail. Pour in more powder. Replace nail. **Whack!** Still no result!

\*\*\*\*\*

### DOT

Some years ago an elderly widow I know moved into a Housing Trust place in Adelaide. It was at first a quiet friendly area, but as people died or moved to nursing homes people began moving in who were better suited to gaols or mental institutions.

Gradually Dot began keeping more to herself, becoming increasingly anxious about her own safety as the neighbourhood became ever more violent.

When a Middle-Eastern family moved in next door she was too open minded to think she would be getting bombs thrown over the fence as well as rubbish, but I guess with all the anti-Arab propaganda she was seeing so regularly on TV it didn't add to her sense of security.

Then one day as a taxi deposited her and her pile of shopping on the footpath outside her home the Middle-Eastern man and his son dashed across to help her carry her things inside.

After they had done so, the man, in a manner reminiscent of the sheiks in the Rudolph Valentino movies of the 20s said, 'Now that I am your neighbour I am also your son. Whenever you need help you have but to call and I will be there.'

The Aussie lady on the other side of Dot was a drug dealer. The Aussie deadbeat who now lived across the street from her was known as 'Attitude' because he had such a bad one! He was frequently being confronted by police or fellow criminals; one of whom he sped on his way one night with a few blasts from his shotgun.

Hardly surprisingly that resulted in lots of sirens and excitement as a bevy of police cars appeared in the street, somewhat to the alarm of the Middle-Eastern lady next door to Dot, as she was alone at the time.

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### THE CROOK NO-ONE WANTED

In this, the age of the super crim, where every great city has at least one "Mr. Big", one large, Australian country town, also has its devilishly clever super crook. I'll call him "Dave", as I can't remember his name, and probably, neither can Dave.

Over the years, the police have learnt to recognise Dave's

Time and time again I repeated the process, all to no avail, knowing that soon there would be so much match head powder in the hole there would be no room for the nail.

**Then!** Need I say there was a most almighty explosion?

I stood there stunned for what seemed a very long time with a death grip on Dad's hammer staring at an impressive black crater in the stump.

About then I heard my mother's quavering voice asking; not if I was alright or anything mushy like that, but if I had been playing with Dad's bullets?

I was able to reply quite honestly I hadn't been playing with bullets and poor Mum said no more.

I suppose she had to make herself a very strong pot of tea to get over the shock! It never occurred to me that she might sometimes be just a trifle tense or worried with so many of our family in the war zone where Dad was often tinkering with much deadlier pieces of ordnance!

I was never able to find the nail or the piece of timber I had blown out of the stump, so with no more suitable nails or match heads I really wasn't sorry I had to give up my new found hobby. It had scared the daylights out of me!

Many years later it strikes me as somewhat bizarre that while my father was overseas bravely and industriously trying to make the world a little safer from explosive devices, there I was at home, making more!

It also occurs to me that had the nail shot into one eye and the piece of stump into the other I might now be sitting here writing my reminiscences in Brail! - circa 1995.

Perhaps hearing Attitude's shots, then hearing the police sirens and seeing armed police dashing about the street reminded the lady of her home-land. Whatever it was it gave her the jolt it needed to nip across to Dot for sanctuary and to find out what was going on.

'It's alright,' Dot assured her, 'most Aussie cops are friendly and polite - even to creeps like Attitude who richly deserve a kick in the teeth.'

Being born in Australia doesn't mean you automatically become a Catholic, a Callithumpian, or any other kind of Christian, any more than being born in the Middle East automatically makes someone Islamic or extremist. In any case, even if Dot's friendly neighbours **were** Moslem they apparently belonged to one of the more modern groups because the lady always wore a pretty scarf over her hair - not a burqa.

In spite of the fact that neither Dot nor her neighbours made a habit of socializing they remained on friendly terms until finally Dot decided she could no longer put up with 'Attitude', his brain damaged family, and others like them any longer.

When she gave notice to the 'Trust' they said she would have to move the store shed she'd had built on her block, so instead of paying someone to pull it down she offered it to Abdul or whatever he was called, as a gift, so he and his son happily dismantled it and moved it onto their own block.

Isn't that a nice story? Maybe we should tidy up Australian society a bit before we start rebuilding other cultures.... - 23-2-14 rewrite.

methods. For a start, the break-ins only occur at places where alcohol is stored in large quantities.

The method of entry is quite distinctive. Things like a 10 metre length of roof panel torn off with the villain's bare hands. A hole, where someone has rammed his head through a brick



wall. Subtle clues like these have often pointed the finger in Dave's direction.

Convicting Dave seldom presents a problem. Besides the fact that on such occasions, Dave's bedroom invariably has crates of grog piled ceiling high, and provided he can remember the incident, he will readily admit to it.

On one occasion, being thirsty, and finding the pub closed, Dave had no option but to punch a hole in the wall of the local golf club, then reaching in through the jagged hole, he drew out bottle after bottle. So many in fact, he was unable to either drink it all, or carry it all away. Then with a flash of the genius which marks all his heists, Dave drew out the 'phone, and rang the local taxi service.

The local taxi driver was most helpful, stacking the bottles into the boot for Dave, then driving him to his home, where he also helped unload all the booty.

Dave had scarcely found his bottle opener when the cops arrived. They drew Dave's attention to the fact that his right fist and elbow were badly cut. Marks consistent with the blood they'd found around the edges of the jagged hole in the golf club wall.

"But how did you know it was me?" Dave demanded, unable to come to grips with such brilliant detective work.

The cops just grinned infuriatingly.

Yet another shock was in store for Dave. The local magistrate said he was sick of seeing his face in the dock, and sentenced him to 3 months in the slammer.

Not only the beak, but everyone else as well, soon seemed to tire of Dave's cheery presence. Having been shunted from one country clink to another; a few days here; a week there; he landed in an enormous place in a capital city. No sense locking him up, they said there. They needed the space for more deserving cases; besides, they felt only a brain transplant would help Dave.

When I last saw Dave, he was standing outside a pub, complaining to passersby, at being given the cold shoulder by the penal system.

"It must've been because I was the only guilty one there," he decided finally. "Y'know, of the 200 or so blokes I spoke to, not one was really guilty!" – 5 January 1996.

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### HERRENHUT COMMUNE

Back in 1882 a somewhat eccentric sounding bloke named Johann Friedrich Krumnow set up a commune he called Herrnhut near Penshurst in Victoria for Germanic settlers.

He has been described as 'a queer fellow', 'deformed and gnome-like in appearance, with a positive genius for bobbing up in places where he was least wanted, and sowing the seeds of discord wherever he went. His face was dark and wrinkled; his hair was long, black, and unkempt. He wore a long black overcoat and later on, one of possum skins. He wore a German military 'cheese cutter' cap' – whatever that was.

He came to South Oz from Hamburg in what was then Prussia, hoping to find a place in the Lutheran Church but his speech was so indistinct he couldn't have preached even if the church leaders hadn't thought he was too much of a ratbag to let loose on their congregations. Anyway he soon clashed with them and moved on into Victoria.

Phillip Adams describes him as preaching a mixture of Moravian Christianity, mysticism and Communism. He believed in faith healing and stuff like that and as time went on his preaching depended less and less on the Bible and more and more on what he had decided for himself.

He got hold of 1548 acres of land in the Gnadenthal district near Penshurst and soon had 50 followers who helped pay for it and what it needed; plus doing most of the work. For awhile everything was sweet. The people felt they really had found Utopia. They built a school, a church, houses, barns – some of which are still standing. The soil in that region is volcanic and looks pretty fertile to me. The rainfall would be good, so I guess it really would be as near as anyone is ever likely to get to heaven on earth – provided of course that you can avoid people like Johann!

A letter Agneta Stephan wrote to her brother back in Germany in 1857 certainly confirms that view.

She spoke as if their 20 acre farm at Gnadenthal really was Utopia. Fertile, easily worked soil, pleasant climate, plenty of good firewood.

To the original 50 settlers on Krumnow's commune were added another 70 when Maria Heller, another religious guru, brought her own starving flock of people from Benalla, but at

that point the you-know-what hit the fan because she proved to be every bit as strong minded or pig-headed as ever Johann was. Not only that, people found that after helping build the infrastructure and help pay for the land and other expenses their names were not even on the title. Everything was in guess whose name!

To add to their problems they could not speak English; some of them being Wends, said to be a Slavic race living within Germany often could not even speak German! They scarcely understood German customs, never mind those of the Celts and English, and so were wide open to being conned by people like Johann – for awhile anyway.

In the end after a court case or two and various arguments and legal problems, not only had Maria Heller stormed off; so too had many of her and Johann's followers. They deserted ship so to speak and took up selections nearby of their own or worked in with the other Germanic settlers.

A few of the super faithful remained though, in spite of the fact that as time went by Johann began easing his worries of state with wine; more and more of it so it was said, and while everyone else had to eat in a communal dining room he dined in solitary splendour attended by two women servants. (You can make what you like of that titbit of information I guess!)

He is said to have broken his leg when he jumped out of a tree believing he could fly to heaven and when he died he is said to have been buried face down just to be certain his soul **wouldn't** find its way to heaven!

Not many seem to believe that story now, but when people feel they have been cheated they tend to exaggerate, and people cast in the same mould always think the worst of anyone who is 'different', so how much truth there is in some of these tales is debatable. The fact that the Herrnhut Commune was not a success is not a good advertisement for Johann Krumnow's leadership though.

He **is** said to have been a good shearer though, which is more than anyone could ever say of me, and he **is** credited with taking in dispossessed Aborigines as well as Maria Heller's starving mob, so perhaps he wasn't really such a bad fellow after all?

1917. 3. May

# IS THIS THE LIMIT?

## THE WIN-THE-WAR "NATIONAL" PARTY

### APPEALING TO GERMAN-AUSTRALIAN SETTLERS

IN THE GERMAN LANGUAGE.

Sending an illuminated, decorated electric sprinkler around the city and suburbs (at a cost of 15/ per hour in these times when economy is essential) urging electors to vote for the "Win-the-war-by-conscription Party," may be a legitimate attempt to win the war according to the "light" seen by Mr. Hughes, but resorting to the German language to appeal to the German-Australian settlers, whom this allegedly patriotic party would disfranchise, if not deport, will surely not meet with the approval of any fair-minded electors who might hitherto have decided to support the miscellaneous group of win-the-warites behind the Hughes-Cooke Fusion.

It is known that there are many very estimable and absolutely loyal settlers in certain districts of this State of German descent. Up to this week these people have been given scant consideration of courtesy at the hands of the flag-flapping, lip-loyalists. Protests and deputations have been given short shrift, and during the recent referendum extraordinary at-

tempts were made to prevent these people from voting. Even the War Time Voting measure recently passed by the Federal Government aimed a blow at the innocent people.

Now the extraordinary fact has been disclosed that the Win-the-War-by-Conscription-S.O.S. Party is making a desperate effort to induce these very people to vote for them. They are even adopting the language of the chief enemy of to-day in order to influence the German-Australian settlers. They are not likely to get many votes by this means, but they are sure to lose many on account of the feeling of disgust which this inconsistent and audacious action will create among all lovers of decent and honest political conduct.

The following advertisement appeared in "Die Kirchen und Missions-Zeitung" of Tuesday, May 1, 1917, published by G. Auricht, at Tanunda. It is the organ of the Evangelistic Lutheran Church of Australia. In one column is given the advertisement as it appears in German and opposite is given the translation:—

Foderale Wahlen.  
Wahler von Angas.  
Denkt—  
Am Sonnabend, den 5 Mai.  
An euren alten, gut gepruften, und  
weiseren Repräsentanten,  
Hon. Patrick McMahon Glynn,  
der in foderalen und auswärtigen Spha-  
ren das moralische Ansehen seiner  
Division so gut verfochten hat—den Statt  
und die Commonwealth.  
Autorisiert von Robert E. McEwan,  
Houghton. 37w

Federal Elections.  
Electors of Angas.  
Remember—  
On Saturday, 5th May.  
Your old, well-ried, and big-hearted  
Representative,  
Hon. Patrick McMahon Glynn,  
who has fought so admirably for the  
welfare of his  
Division in both Federal and Foreign  
spheres—the State and the Common-  
wealth.  
Authorised by Robert E. McEwan,  
Houghton. 37w

-Foderale Wahlen.  
Die wichtigsten in der Geschichte Aus-  
traliens.  
An diesem Tage werden die Wahler ent-  
scheiden wer regieren soll.  
Soll Australien ein freies demokratisches  
Land sein?  
Sie können diese Frage wirksam beant-  
worten, indem Sie für die Nationalen  
Win-the-War Kandidaten stimmen.

Senat:  
Guthrie, R. S.  
Rowell, J.  
Senior, W.  
Repräsentanten.  
Angas—Glynn, P. Mc.M.  
Barker—Livingston, J.  
Boothby—Story, W. H.  
Grey—Poynton, A.  
Hindmarsh—Archibald, W. O.  
Wakefield—Foster, R. W.  
Committees und Wahler auf dem Land:  
Seid geschäftig. Wenn Sie zu Haus blei-  
ben, und nicht wahlen, helfen Sie der  
anderen Seite.  
Wahltag—Sonnabend, den 5 Mai.  
Autorisiert von W. B. Page and E. A.  
Anstey, Pirie street, Adelaide. 36w

-Federal Elections.  
The most important in the history of  
Australia.  
On this day the electors will decide who  
shall rule.  
Shall Australia remain a free and demo-  
cratic Land?  
You can effectively answer this question  
by voting for the National Win-the-War  
Candidates.

-Senate.  
Guthrie, R. S.  
Rowell, J.  
Senior, W.  
Representatives.—  
Angas—Glynn, P. Mc.M.  
Barker—Livingston, J.  
Boothby—Story, W. H.  
Grey—Poynton, A.  
Hindmarsh—Archibald, W. O.  
Wakefield—Foster, R. W.  
Committees and Electors in the Country  
—Be active. If you remain at home and  
do not vote you help the other side.  
Polling Day—Saturday, 5th May.  
Authorised by W. B. Page and E. A.  
Anstey, Pirie street, Adelaide. 36w  
H. Kneebone, 117 Grenfell street, Adelaide.

## LUKE THE LARRIKIN

Nobody knew much about Luke Shelley's background except that he came to Duffholme from Melbourne in the early 1900s and built a single room iron shack near the railway siding.

The only real claim to history that Duffholme has, besides Luke, is the 'Babes in the Wood' incident in 1864 when three Duff children survived being lost in the scrub for days.

Luke's shack was near the Crick farm so one day when Mrs Crick heard that Luke was ill she sent Syd, her little boy, across with a bowl of soup for him. Later in life Syd said the place was 'rough as guts'. The iron shack was lined with bags which were liberally splattered with phlegm Luke had spat out. On the floor was a pound of butter covered and surrounded by thousands of ants.

Luke made a living of sorts from cutting wood, trapping rabbits, keeping bees and rural stuff like that and spent any excess money in the surrounding pubs, which were more numerous then. When his money and his sobriety were gone other slightly more sober drinkers would generally load him into his cart, tie the reins and point his grey mare Dolly in the direction of home, but once during World War I he stayed too long at the Natimuk pub and assaulted a man in the horse yard. He was later charged and fined at the Natimuk court house, but the magistrate said he'd overlook the fine if Luke joined the army.

Life in the trenches would probably have seemed like an all expenses paid holiday to Luke, but it was not to be. While he and Harold Lear, a young bloke from nearby Mitre, were in a training camp near Melbourne Harold and other recruits were given leave passes. As they left camp they found Luke at the gates with his rifle and bayonet.

"Oh, you've got guard duty," said Harold as they passed him.

"But not for long," said Luke, driving the point of his bayonet into the mud and leaving it and its attached rifle standing soldierly and erect in the middle of the gate way to deter unwelcome visitors.

Unfortunately, instead of being deterred by this lone symbol of authority, one of the unwelcome visitors souvenired it, so besides being charged with deserting his post and being absent without leave Luke was charged with deserting his arms as well.

After he had been duly charged and awarded his punishment his sergeant told him if he didn't watch out he'd end up getting shot when he got to the 'Front' – presumably by an irate officer attempting to discourage the rest from following his bad example.

Instead of being suitably cowed Luke told the sergeant that **he** should watch out for **himself** lest something happen to **him** over there!

It was thought that that remark on top of all Luke's other sins resulted in him getting a dishonourable discharge instead of being sent overseas to become a hero – dead or otherwise.

"Not too many people have one of these," said Luke, waving his dishonourable discharge proudly on his return to Duffholme!

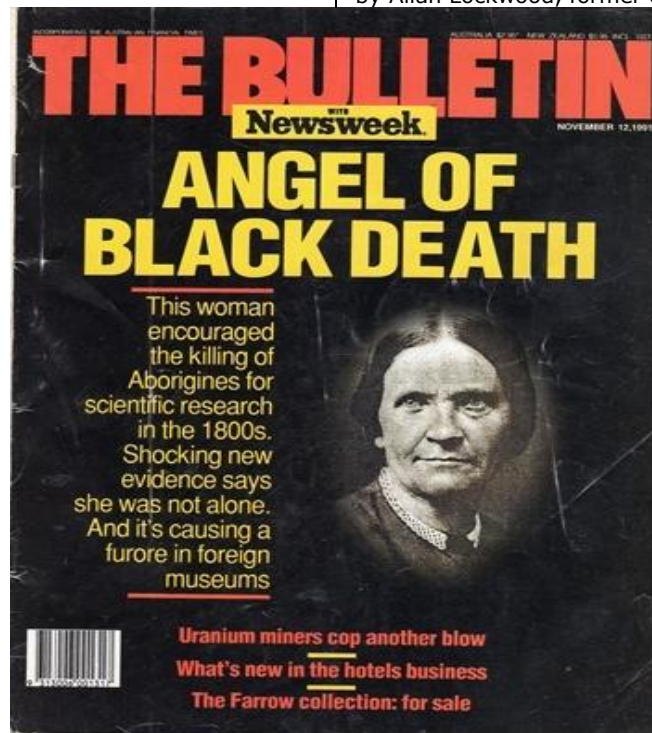
The authorities had not quite given up on him though. After the war the Taxation Department sent him a demand for 27 pounds, which he gravely ignored.

When a second, more threatening letter arrived Luke wrote 'Box on' in one corner and sent it back. On the third he wrote, "Not interested."

He was a trifle more humble when the fourth demand arrived. On that he wrote, "If you want a few bees you can come and get them. But be sure you come on a cold day."

The fifth letter threatened him with a month's imprisonment, to which he replied, "That's fine," adding that he'd once done a month in the jug over in the West and it hadn't been too bad. He never paid the bill and never went to jail for not doing so.

Sounds like Luke Shelley might have had a more sensible attitude to life than the rest of us! -27/11/2013 from a story by Allan Lockwood, former editor of the *Wimmera Mail-Times*.



Another magazine, now defunct, with yet another example of German & Aussie pioneer bashing? Story by David Monahan, November 1991. The lady was Amalie Dietrich – alleged to have had Aborigines killed for study. In my younger days the Coorong was littered with human bones, most if not all Aboriginal – but modern day Aborigines living nearby never

bothered to collect them, just said they were all victims of white atrocities! The Adelaide museum encouraged us to collect skulls and complete skeletons for them before doing a sudden about face!

I wonder why?

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## Ricardo Duchesne: Provoking the thought police

[Kevin MacDonald](#) on June 7, 2014

In a [recent post](#) I described Ricardo Duchesne's new website, the [Council of European Canadians](#). Prof. Duchesne's writing has definitely gotten the attention of the Chinese activists he is targeting ("[Vancouver councillor Kerry Jang criticizes New Brunswick professor's anti-Chinese screed](#)"). The word 'screed' implies that Prof. Duchesne's writing is nothing more than an angry rant, but of course that is far from the case.

As usual with [aggrieved minorities](#) in the West without any tradition of free speech in their own cultures, the preferred tactic is to silence any and all criticism. Here the offended Councillor Kerry Jang has complained to the university president, no doubt hoping he will be fired:

***The nature of the blog postings and e-mails received are troublesome in that they go beyond fair comment and abuse the privilege of academic freedom by their pejorative nature that is based on poor scholarship.***

No specific abuses are provided in the letter, but of course specifics are not necessary to condemn Prof. Duchesne to pariah status among the righteous. The idea that Duchesne is abusing academic freedom is tenuous at best. The Council of European Canadians website does not link to the University of New Brunswick or even describe him as a professor there.

So it will be interesting to see how the university handles it. Let's hope that free speech prevails. As Prof. Duchesne notes several times, ideas of free speech and other individual rights are uniquely Western. Quite obviously such ideas remain foreign to Councillor Jang despite having roots in Canada going back to the nineteenth century.

The comments to the article show that quite a few Canadians are fed up with the White guilt mongering.

For example

***Being an academic himself, I wonder why Mr Jang doesn't first goes into details about Mr Duchesne supposed "poor scholarship" on the history of the Chinese immigrants in the Vancouver region. Because this issue, the issue of factual accuracy of Mr Duchesne's research, should be at the heart of the debate, isn't it?***

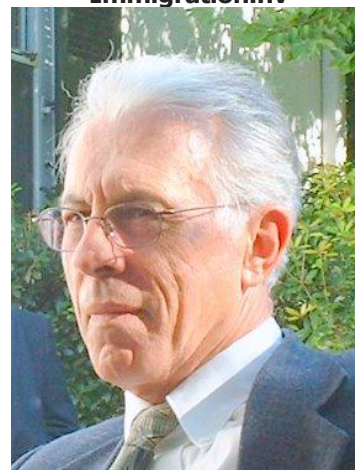
***Unfortunately, heavy-handed accusations about "white supremacy" make it appear as if Mr Jang is more interested at politically intimidating a dissenting voice than engaging in a discussion at eye level. Therefore, I find it difficult to believe that academic freedom is really close to his heart in this matter ....***

I suggest adding to the comments and perhaps rereading Prof. Duchesne's well-reasoned articles on the Chinese in Vancouver to see just how unhinged Mr. Jang's comments are.

I also recommend his other articles — [most recently](#) on how academics advocate overcoming human nature and the obvious problems created by multicultural societies in order to lead us to the promised land where those evil Whites will not be a problem any more for the peaceful, non-ethnocentric people that comprise the rest of the world.

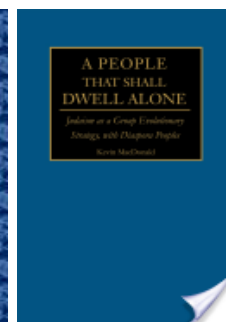
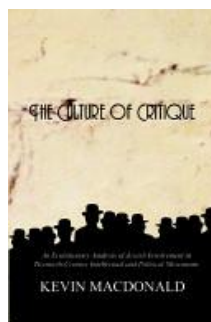
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### Dr. Kevin MacDonald Discusses Jews & Immigration.flv



Kevin B. MacDonald is an American professor of psychology at California State University, Long Beach, best known for his use of evolutionary theory to support his claim that Judaism is a "group evolutionary strategy."

<http://www.youtube.com/watch?v=7nBzJdQB5r4>



[The Culture of Critique s...1998](#)  
[Separation and its discontents 1998](#)  
[A People That Shall Dwell Alone...1994](#)